



Ringgold County, Iowa

Annual Financial Report

June 30, 2024



Contents

	<u>Page</u>
Officials	3
Independent Auditor's Report	4
Management's Discussion and Analysis (Unaudited)	7
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	15
Statement of Activities	17
Governmental Fund Financial Statements	
Balance Sheet	18
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	19
Statement of Revenues, Expenditures, and Changes in Fund Balances	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -Governmental Funds to the Statement of Activities	21
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Position – Custodial Funds	22
Statement of Changes in Fiduciary Net Position – Custodial Funds	23
Notes to Financial Statements	24
Required Supplementary Information (Unaudited)	
Budgetary Comparison Schedule of Receipts, Disbursements, and Changes in Balances – Budget and Actual (Cash Basis) – All Governmental Funds	45
Budget to GAAP Reconciliation	46
Notes to Required Supplementary Information – Budgetary Reporting	47
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)	48
Schedule of County Contributions	49
Notes to Required Supplementary Information – Pension Liability	50
Schedule of Changes in the County's Total OPEB Liability and Related Ratios	51
Notes to Required Supplementary Information – OPEB Liability	52

Supplementary Information

Nonmajor Governmental Funds	
Combining Balance Sheet	53
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	54
Custodial Funds	
Combining Schedule of Fiduciary Net Position	55
Combining Schedule of Changes in Fiduciary Net Position	56
Schedule of Revenues by Source and Expenditures by Function – All Governmental Funds	57
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> – Independent Auditor’s Report	58
Schedule of Findings and Responses	60

Ringgold County, Iowa

Officials

(Before January 2024)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Ron Landphair	Board of Supervisors	Jan 2023
Colby Holmes	Board of Supervisors	Jan 2025
Steve Knapp	Board of Supervisors	Jan 2025
Amanda Waske	County Auditor	Jan 2025
Debra Cannon	County Treasurer	Jan 2023
Kisha Martin	County Recorder	Jan 2023
Rob Haley	County Sheriff	Jan 2025
Clint Spurrier	County Attorney	Jan 2023
Melinda England	County Assessor	Jan 2028

(After January 2024)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Colby Holmes	Board of Supervisors	Jan 2025
Steve Knapp	Board of Supervisors	Jan 2025
Randy Taylor	Board of Supervisors	Jan 2027
Amanda Waske	County Auditor	Jan 2025
Debra Cannon	County Treasurer	Jan 2027
Kisha Martin	County Recorder	Jan 2027
Rob Haley	County Sheriff	Jan 2025
Clint Spurrier	County Attorney	Jan 2027
Melinda England	County Assessor	Jan 2028

Independent Auditor's Report

Board of Supervisors
Ringgold County, Iowa
Mount Ayr, Iowa

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 Ringgold County, Iowa (the County), 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 the County as of June 30, 2024, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 the 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 the 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 the 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 the 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, pension, and other postemployment benefit information 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 the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedule of revenues by source and expenditures by function – all governmental funds are presented for purposes of additional analysis and are 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 combining and individual nonmajor fund financial statements and schedule of revenues by source and expenditures by function – all governmental funds are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the Ringgold County Officials but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2025, on our consideration of the 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 the County's internal control over financial reporting and compliance.

Forvis Mazars, LLP

**Kansas City, Missouri
July 21, 2025**

Ringgold County, Iowa
Management's Discussion and Analysis
June 30, 2024 and 2023

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

2024 Financial Highlights

- Revenues of the County's governmental activities decreased 21.4%, or approximately \$3,254,000, over fiscal year 2023. Operating grants, contributions and restricted interest, property tax revenue and other general revenues increased approximately \$270,000, \$338,000 and \$269,000, respectively. These increases were offset by a decrease in capital grants, contributions and restricted interest of approximately \$3,874,000.
- Ringgold County's governmental activities program expenses increased 10.8%, or approximately \$1,041,000, over fiscal year 2023. Roads and transportation, public safety expenses and county environment and education increased approximately \$797,000, \$78,000 and \$94,000, respectively.
- The County's net position at June 30, 2024 increased 4.7%, or approximately \$1,235,000, over the June 30, 2023 balance.

Using This Annual Financial Report

The annual financial 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 Ringgold 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 Ringgold 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 Ringgold County acts solely as an agent or custodian for the benefit of those outside of County government (Custodial Funds).

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

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

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

Reporting the County's Financial Activities

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

The County has two 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 major governmental funds include: the General Fund, Rural Services, Secondary Roads, and the Jail Local option Sales Tax 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) 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 statements for fiduciary funds include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

Reconciliations between the government-wide financial statements and the governmental fund financial statements follow the governmental fund financial statements.

Ringgold County, Iowa
Management's Discussion and Analysis
June 30, 2024 and 2023

Government-Wide Financial Analysis

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

Net Position of Governmental Activities
(in Thousands)

	June 30,	
	2024	2023
Current and other assets	\$ 12,060	\$ 11,644
Capital assets	22,192	21,426
Total assets	34,252	33,070
Deferred outflows of resources	776	509
Long-term liabilities	2,449	2,283
Other liabilities	493	516
Total liabilities	2,942	2,799
Deferred inflows of resources	4,456	4,385
Net position		
Net investment in capital assets	21,657	20,706
Restricted	6,068	5,966
Unrestricted	(95)	(277)
Total net position	\$ 27,630	\$ 26,395

Ringgold County's combined net position of governmental activities increased 4.7% (approximately \$27.6 million compared to approximately \$26.4 million).

The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, intangibles, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased approximately \$951,000, or 4.6% over the prior year. This increase is primarily due to infrastructure assets contributed by the Iowa Department of Transportation.

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 \$102,000, or 1.7% from the prior year. This increase is primarily due to a change in the amounts held at year end in the Secondary Roads.

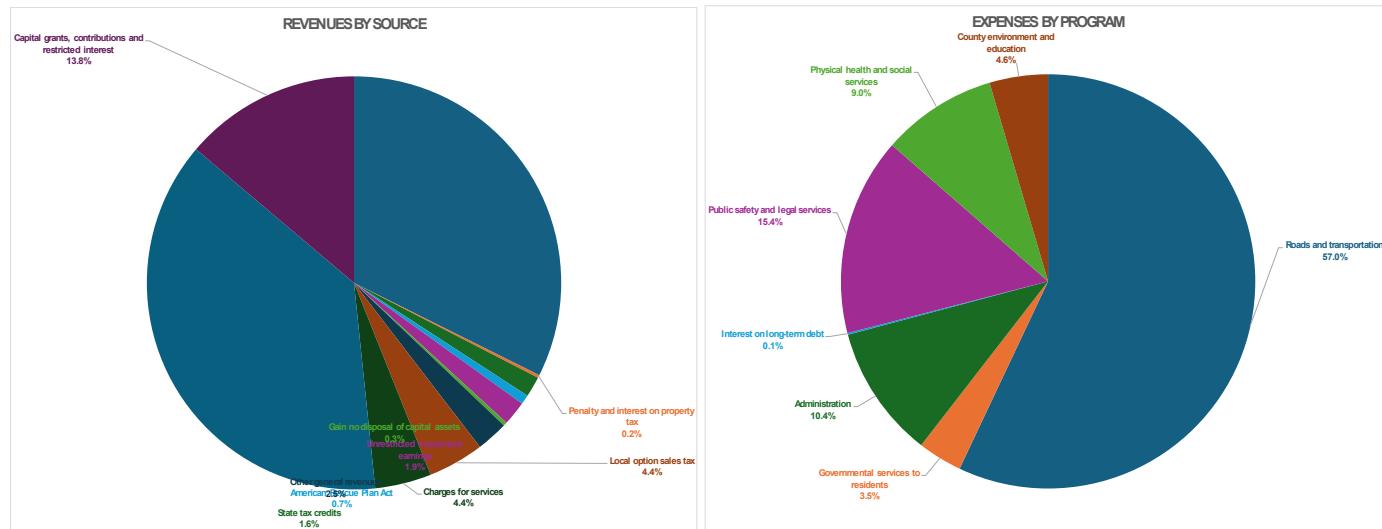
Unrestricted net position – the part of net position which can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased from a deficit of approximately \$277,000 at June 30, 2023 to a deficit of approximately \$95,000 at the end of this year, an increase of 65.7%. This increase is primarily due to an increase in pension related deferred outflows and a decrease in pension related deferred inflows.

Ringgold County, Iowa
Management's Discussion and Analysis
June 30, 2024 and 2023

Changes in Net Position of Governmental Activities
(in Thousands)

	June 30,	
	2024	2023
Revenues		
Program revenues		
Charges for service	\$ 524	\$ 663
Operating grants, contributions and restricted interest	4,511	4,241
Capital grants, contributions and restricted interest	1,646	5,520
General revenues		
Property and other County tax	3,861	3,523
Penalty and interest on property tax	26	28
State tax credits	191	195
Local option sales tax	520	475
American Rescue Plan Act	88	311
Unrestricted investment earnings	227	174
Gain on disposal of capital assets	34	21
Other general revenues	295	26
Total revenues	11,923	15,177
Program Expenses		
Public safety and legal services	1,651	1,573
Physical health and social services	963	632
Mental health	-	375
County environment and education	488	394
Roads and transportation	6,094	5,297
Governmental services to residents	372	295
Administration	1,107	1,061
Interest on long-term debt	13	20
Total program expenses	10,688	9,647
Change in Net Position	1,235	5,530
Net Position, Beginning of Year	26,395	20,865
Net Position, End of Year	\$ 27,630	\$ 26,395

Ringgold County, Iowa Management's Discussion and Analysis June 30, 2024 and 2023



The County increased the County-wide property tax levy from \$6.71657 to \$7.27479 per \$1,000 of taxable valuation for fiscal year 2024. The general supplemental tax levy increased from \$2.17788 to \$2.64781 per \$1,000 of taxable valuation. The taxable valuation of property increased 1.2%, or approximately \$4.8 million. These changes resulted in an increase in property and other County tax revenues of approximately \$338,000, or 9.6%.

The County's capital grants, contributions and restricted interest decreased 70.2%, or approximately \$3,874,000 from fiscal year 2023 due to contributed capital from the Iowa Department of Transportation during fiscal year 2023 that did not reoccur in fiscal year 2024.

The cost of all governmental activities this year was approximately \$10.688 million compared to approximately \$9.647 million last year. However, as shown in the Statement of Activities on page 17, these activities ultimately were paid by those who directly benefited from the programs (approximately \$524,000) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately \$6,157,000). Overall, the County's governmental program revenues, including intergovernmental aid and charges for service, decreased in fiscal year 2024 from approximately \$10,424,000 to approximately \$6,681,000.

Ringgold County, Iowa
Management's Discussion and Analysis
June 30, 2024 and 2023

Individual Major Fund Analysis

As Ringgold County completed the year, its governmental funds reported a combined fund balance of approximately \$7.5 million, an increase of approximately \$366,000 from last year's total of approximately \$7.1 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues increased 1.6%, or approximately \$75,000. Intergovernmental revenues decreased approximately \$242,000 due to \$223,000 decrease in CARES Act funds compared to FY23. Expenditures decreased approximately \$306,000, or approximately 6.6% compared to the prior year, as the County used the *American Rescue Plan Act* funds for courthouse improvements, public safety equipment, secondary roads and conservation projects in fiscal year 2023, which did not reoccur in fiscal year 2024. The ending fund balance increased approximately \$271,000 from the prior year to \$2,136,477.
- The Special Revenue, Rural Services Fund ended fiscal year 2024 with a balance of approximately \$269,000, a decrease of 5.3% compared to the June 30, 2023 balance of approximately \$284,000. Revenues increased 2.2% due to an increase in property valuations of approximately 2.3%, partially offset by a decrease in the property tax levy rate of 3.6%. Expenditures decreased approximately \$4,700 or 8.2%, from fiscal year 2023.
- The Special Revenue, Secondary Roads Fund revenues increased 6.1%, or approximately \$221,000. Expenditures increased 15.1% or approximately \$688,000. The Secondary Roads ending fund balance decreased approximately \$453,000, or 12.7%, under the prior year.
- The Special Revenue, Jail Local Option Sales Tax Fund revenues increased approximately \$37,000, or 7.4%, due to an increase in local options sales tax receipts. Expenditures decreased approximately \$89,000, or 17.0%, as a result of one-time sheriff department facility expenses in fiscal year 2023 that did not reoccur in fiscal year 2024. The Jail Local Option Sales Tax Fund ending balance increased approximately \$94,000, or 7.8%, from the prior year.

Budgetary Highlights

Over the course of the year, Ringgold County amended its budget one time. The budget amendment in May 2024 resulted in an increase of budgeted revenue for intergovernmental, use of money and miscellaneous revenues. Disbursements were increased for public safety and legal services, physical health and social services, governmental services to residents and administration.

The County's receipts were \$191,754 more than budgeted, a variance of 1.97%. The most significant variances resulted from the County receiving more intergovernmental receipts and more unrestricted investment earnings than anticipated.

Total disbursements were \$1,740,280 less than the amended budget. Actual disbursements for public safety and legal services, roads and transportation, and capital projects were \$343,454, \$321,902 and \$836,623, respectively, less than budgeted. Disbursements for capital projects were less than budgeted due to construction project delays at secondary roads.

Ringgold County, Iowa
Management's Discussion and Analysis
June 30, 2024 and 2023

Capital Assets and Debt Administration

Capital Assets

At June 30, 2024, Ringgold County had approximately \$22.2 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This is a net increase of approximately \$766,000, or 3.6%, over last year.

Capital Assets of Governmental Activities at Year End
(in Thousands)

	June 30,	
	2024	2023
Land	\$ 35	\$ 35
Construction in progress	-	4,394
Buildings and improvements	3,389	3,467
Equipment and vehicles	1,995	1,992
Right-to-use leased equipment	-	10
Intangibles	33	36
Infrastructure	16,740	11,492
Total	<u>\$ 22,192</u>	<u>\$ 21,426</u>
Fiscal year 2024 major additions included (in thousands)		
Infrastructure assets	\$ 1,646	
Storm shelter	46	
Sheriff equipment	87	
Secondary roads equipment	88	
Election equipment	46	
Total	<u>\$ 1,913</u>	

The County had depreciation/amortization expense of \$1,212,897 in fiscal year 2024 and total accumulated depreciation of \$13,936,664 at June 30, 2024. More detailed information about the County's capital assets is presented in *Note 4* to the financial statements.

Ringgold County, Iowa
Management’s Discussion and Analysis
June 30, 2024 and 2023

Long-Term Debt

At June 30, 2024, Ringgold County had approximately \$535,000 of general obligation bonds and other debt outstanding, compared to \$720,000 at June 30, 2023.

Outstanding Debt of Governmental Activities at Year End
(in Thousands)

	June 30,	
	2024	2023
Lease agreements	\$ -	\$ 10
General obligation bonds	535	710
Total	\$ 535	\$ 720

Debt decreased as a result of paying down the general obligation local option sales tax bonds.

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. Ringgold County’s outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$35.73 million. Additional information about the County’s long-term debt is presented in *Note 7* to the financial statements.

Economic Factors and Next Year’s Budget and Rates

Ringgold 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 at June 30, 2024 stands at 2.8% versus 2.6% a year ago. This compares with the State’s unemployment rate of 3.2% and the national rate of 4.1%.

Another factor taken into consideration is the property valuations. While costs continue to increase, the slight increase in valuations received each year is not enough to offset the expenditures. Additional revenue sources have been explored.

Contacting the County’s Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Ringgold 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 Ringgold County Auditor’s Office, 109 West Madison Street, Mount Ayr, Iowa 50854.

Basic Financial Statements

Ringgold County, Iowa
Statement of Net Position
June 30, 2024

	Governmental Activities
ASSETS	
Cash and pooled investments	\$ 6,468,349
Cash held by health plan trustee	207,902
Receivables	
Property tax receivable	4,193,663
Accounts	305,631
Accrued interest	13,277
Opioid settlement	47,664
Due from other governments	424,017
Lease receivable	14,730
Inventories	266,948
Prepaid expense	117,594
Capital assets, not being depreciated	64,970
Capital assets, net of accumulated depreciation/ amortization	<u>22,126,995</u>
Total assets	<u>34,251,740</u>
Deferred Outflows of Resources	
Pension related deferred outflows	<u>776,146</u>

Ringgold County, Iowa
Statement of Net Position
June 30, 2024

(Continued)

	Governmental Activities
LIABILITIES	
Accounts payable	\$ 123,316
Salaries and benefits payable	171,341
Due to other governments	29,267
Unearned revenues	169,385
Long-term liabilities	
Portion due or payable within one year	
General obligation bonds	175,000
Compensated absences	145,248
Portion due or payable after one year	
General obligation bonds	360,000
Compensated absences	72,756
Net pension liability	1,237,119
Total OPEB liability	458,800
Total liabilities	<u>2,942,232</u>
Deferred Inflows of Resources	
Unavailable property tax revenue	4,193,663
Pension related deferred inflows	247,457
Lease related	<u>14,730</u>
Total deferred inflows of resources	<u>4,455,850</u>
Net Position	
Net investment in capital assets	21,656,965
Restricted for	
Supplemental levy purposes	673,567
Rural services purposes	269,025
Secondary roads purposes	3,108,153
Public safety and legal services	146,822
Opioid abatement	44,381
Other purposes	1,825,909
Unrestricted	<u>(95,018)</u>
Total net position	<u><u>\$ 27,629,804</u></u>

Ringgold County, Iowa
Statement of Activities
Year Ended June 30, 2024

	Program Revenues				
			Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Service			
Functions/Programs					
Governmental activities					
Public safety and legal services	\$ 1,650,671	\$ 24,937	\$ 203,105	\$ -	\$ (1,422,629)
Physical health and social services	962,650	112,824	539,054	-	(310,772)
County environment and education	488,187	2,135	52,190	-	(433,862)
Roads and transportation	6,093,618	211,910	3,656,826	1,646,150	(578,732)
Governmental services to residents	372,051	151,131	-	-	(220,920)
Administration	1,108,291	20,697	59,864	-	(1,027,730)
Interest on long-term debt	13,017	-	-	-	(13,017)
Total	\$ 10,688,485	\$ 523,634	\$ 4,511,039	\$ 1,646,150	(4,007,662)
General Revenues					
Property and other county tax levied for general purposes					3,860,845
Penalty and interest on property tax					26,195
State tax credits and replacements					191,305
Local option sales tax					520,285
Unrestricted grants from other governments					88,404
Unrestricted investment earnings					226,507
Gain on disposal of capital assets					33,977
Miscellaneous					295,047
Total general revenues					5,242,565
Change in Net Position					
					1,234,903
Net Position, Beginning of Year					26,394,901
Net Position, End of Year					
					\$ 27,629,804

Ringgold County, Iowa
Balance Sheet
Governmental Funds
June 30, 2024

		Special Revenue					
	General	Rural Services	Secondary Roads	Jail Local Option Sales Tax	Nonmajor	Total	
ASSETS							
Cash and pooled investments	\$ 2,072,122	\$ 269,151	\$ 2,651,947	\$ 1,231,869	\$ 243,260	\$ 6,468,349	
Cash held by health plan trustee	207,902	-	-	-	-	207,902	
Receivables							
Succeeding year property tax	3,057,527	1,136,136	-	-	-	4,193,663	
Accounts	50,080	-	5,744	-	249,807	305,631	
Accrued interest	12,491	-	-	598	188	13,277	
Opioid settlement	-	-	-	-	47,664	47,664	
Lease receivable	14,730	-	-	-	-	14,730	
Due from other governments	51,045	-	301,264	71,708	-	424,017	
Inventories	-	-	266,948	-	-	266,948	
Prepaid items	92,594	-	25,000	-	-	117,594	
Total assets	\$ 5,558,491	\$ 1,405,287	\$ 3,250,903	\$ 1,304,175	\$ 540,919	\$ 12,059,775	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 37,934	\$ -	\$ 84,706	\$ 601	\$ 75	\$ 123,316	
Salaries and benefits payable	113,555	126	57,660	-	-	171,341	
Due to other governments	28,883	-	384	-	-	29,267	
Unearned revenues	169,385	-	-	-	-	169,385	
Total liabilities	349,757	126	142,750	601	75	493,309	
Deferred Inflows of Resources							
Unavailable revenues							
Succeeding year property tax	3,057,527	1,136,136	-	-	-	4,193,663	
Lease related	14,730	-	-	-	-	14,730	
Other	-	-	-	-	47,664	47,664	
Total deferred inflows of resources	3,072,257	1,136,136	-	-	47,664	4,256,057	
Fund Balances							
Nonspendable							
Inventories	-	-	266,948	-	-	266,948	
Prepaid items	92,594	-	25,000	-	-	117,594	
Committed							
Capital outlay	25,000	-	-	-	-	25,000	
Restricted for							
Supplemental levy purposes	375,571	-	-	-	-	375,571	
Mental health purposes	91,596	-	-	-	-	91,596	
Rural services purposes	-	269,025	-	-	-	269,025	
Secondary roads purposes	-	-	2,816,205	-	-	2,816,205	
Conservation land acquisition	34,245	-	-	-	-	34,245	
Public safety and legal services	92,017	-	-	-	54,805	146,822	
County jail	-	-	-	1,303,574	-	1,303,574	
Other purposes	-	-	-	-	438,375	438,375	
Health benefits	207,902	-	-	-	-	207,902	
Unassigned	1,217,552	-	-	-	-	1,217,552	
Total fund balances	2,136,477	269,025	3,108,153	1,303,574	493,180	7,310,409	
Total liabilities, deferred inflows of resources and fund balances	\$ 5,558,491	\$ 1,405,287	\$ 3,250,903	\$ 1,304,175	\$ 540,919	\$ 12,059,775	

Ringgold County, Iowa
Reconciliation of the Balance Sheet –
Governmental Funds to the Statement of Net Position
June 30, 2024

Total governmental fund balances	\$ 7,310,409
---	---------------------

***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 \$36,128,629 and the accumulated depreciation/amortization is \$13,936,664.

22,191,965

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.

47,664

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
Deferred inflows of resources

\$ 776,146
<u>(247,457)</u>

528,689

Long-term liabilities, including lease agreements payable, bonds payable, compensated absences payable, net pension liability, total OPEB liability and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds.

(2,448,923)

Net position of governmental activities

\$ 27,629,804

Ringgold County, Iowa
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2024

	Special Revenue					Total
	General	Rural Services	Secondary Roads	Jail Local Option Sales Tax	Nonmajor	
Revenues						
Property and other county tax	\$ 2,935,302	\$ 923,192	\$ -	\$ -	\$ 2,351	\$ 3,860,845
Local option sales tax	-	-	-	520,285	-	520,285
Interest and penalty on property tax	26,195	-	-	-	-	26,195
Intergovernmental	1,090,390	34,605	3,656,826	-	8,927	4,790,748
Licenses and permits	7,016	-	22,054	-	-	29,070
Charges for service	280,214	-	-	-	4,427	284,641
Use of money and property	250,817	-	-	8,330	1,337	260,484
Miscellaneous	29,911	-	189,856	-	319,503	539,270
Total revenues	4,619,845	957,797	3,868,736	528,615	336,545	10,311,538
Expenditures						
Operating						
Public safety and legal services	1,433,894	-	-	245,561	6,302	1,685,757
Physical health and social services	994,319	-	-	-	18,358	1,012,677
County environment and education	412,923	52,753	-	-	3,182	468,858
Roads and transportation	-	-	4,746,309	-	-	4,746,309
Governmental services to residents	374,794	-	-	-	-	374,794
Administration	1,133,292	-	-	-	-	1,133,292
Debt service	-	-	-	189,200	-	189,200
Capital outlay	-	-	495,388	-	-	495,388
Total expenditures	4,349,222	52,753	5,241,697	434,761	27,842	10,106,275
Excess (Deficiency) of Revenues Over (Under) Expenditures	270,623	905,044	(1,372,961)	93,854	308,703	205,263
Other Financing Sources (Uses)						
Transfers in	-	-	920,000	-	-	920,000
Transfers out	-	(920,000)	-	-	-	(920,000)
Total other financing sources (uses)	-	(920,000)	920,000	-	-	-
Change in Fund Balances	270,623	(14,956)	(452,961)	93,854	308,703	205,263
Fund Balances, Beginning of Year	1,865,854	283,981	3,561,114	1,209,720	184,477	7,105,146
Fund Balances, End of Year	\$ 2,136,477	\$ 269,025	\$ 3,108,153	\$ 1,303,574	\$ 493,180	\$ 7,310,409

Ringgold County, Iowa
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	\$ 205,263
---	-------------------

***Amounts reported for governmental activities in the
Statement of Activities are different because***

Governmental funds report capital outlays as expenditures while governmental activities report depreciation/amortization expense to allocate those expenditures over the life of the assets. Capital outlay expenditures and contributed assets exceed depreciation/amortization expense in the current year, as follows:

Expenditures for capital assets	\$ 332,324	
Capital assets contributed by the Iowa Department of Transportation	1,646,150	
Depreciation/amortization expense	<u>(1,212,897)</u>	765,577

Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are recognized as deferred inflows of resources in the governmental funds, as follows:

Other	<u>(34,300)</u>	(34,300)
-------	-----------------	----------

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.

185,192

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.

315,961

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	(4,366)	
OPEB expense	(80,744)	
Pension expense	(118,864)	
Interest on long-term debt	<u>1,184</u>	<u>(202,790)</u>

Change in net position of governmental activities	\$ <u>1,234,903</u>
--	----------------------------

Ringgold County, Iowa
Statement of Fiduciary Net Position
Custodial Funds
June 30, 2024

ASSETS

Cash, cash equivalents, and pooled investments	
County Treasurer	\$ 4,983,970
Receivables	
Property tax	
Succeeding year	10,607,000
Due from other governments	46,139
Accounts	2,840
Accrued interest	13,672
Total assets	15,653,621

LIABILITIES

Accounts payable	4,773
Salaries and benefits payable	9,536
Due to other governments	314,072
Total liabilities	328,381

Deferred Inflows of Resources

Unavailable property tax revenue	10,607,000

Net Position

Restricted for individuals, organization and other governments	\$ 4,718,240

Ringgold County, Iowa
Statement of Changes in Fiduciary Net Position
Custodial Funds
Year Ended June 30, 2024

Additions

Property and other county tax	\$ 10,111,128
911 surcharge	239,361
State tax credits	553,424
Office fees and collections	243,560
Auto licenses, use tax and postage	2,394,399
Assessments	9,821
Trusts	74,639
Miscellaneous	651,768

Total additions	<u>14,278,100</u>
-----------------	-------------------

Deductions

Agency remittances	
To other funds	147,831
To other governments	<u>14,606,942</u>

Total deductions	<u>14,754,773</u>
------------------	-------------------

Change in Fiduciary Net Position	(476,673)
Net Position, Beginning of Year	<u>5,194,913</u>

Net Position, End of Year	<u><u>\$ 4,718,240</u></u>
----------------------------------	----------------------------

Note 1. Summary of Significant Accounting Policies

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

The County also participates in the following jointly governed organizations: the Wayne, Ringgold and Decatur County Solid Waste Management Commission and the Southern Iowa Rural Water Association.

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.

Ringgold County, Iowa
Notes to Financial Statements
June 30, 2024

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 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 roads construction and maintenance.

The Jail Local Option Sales Tax Fund is used to pay the principal and interest on the general obligation local option sales tax bonds and other expenses for the jail.

Additionally, the County reports the following funds:

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 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.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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.

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 March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax 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 becomes 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 March 2023.

Interest and Penalty on Property Tax Receivable

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

Opioid Settlement Receivable

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

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.

Ringgold County, Iowa
Notes to Financial Statements
June 30, 2024

Capital Assets

Capital assets, which include property, furniture and equipment and intangibles and infrastructure assets acquired after July 1, 1980 are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed under "Leases" below) if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives extending beyond a single reporting period.

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

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, 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	5-20
Equipment	2-35
Vehicles	3-10
Right-to-use leased assets	2-20

Leases

County as Lessee – Ringgold 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 the payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payment 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 Ringgold County determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

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

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

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

County as Lessor – Ringgold County is a lessor for a noncancellable lease of farmland. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund statements.

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

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

Ringgold County uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net assets 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

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.

Compensated Absences

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

Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position.

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

Pensions

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

Total OPEB Liability

For purposes of measuring the total OPEB liability and OPEB expense, information has been determined based on Ringgold County's actuarial 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 assets 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.

Ringgold County, Iowa
Notes to Financial Statements
June 30, 2024

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

Fund Balance

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

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

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

Committed – Amounts which can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Board of Supervisors.

Unassigned – All amounts not included in the preceding classifications.

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.

Note 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 investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of \$5,603,727. There were no limitations or restrictions on withdrawals for the IPAIT investments. The County's investment in IPAIT is unrated.

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

Ringgold County, Iowa
Notes to Financial Statements
June 30, 2024

A summary of deposits and investments of the County, along with financial statement classification, is as follows:

Deposits and cash on hand	\$ 6,056,494
Investments	<u>5,603,727</u>
	<u>\$ 11,660,221</u>
Cash, cash equivalents and investments	\$ 6,468,349
Restricted cash, cash equivalents and investments	207,902
Cash, cash equivalents and investments, fiduciary funds	<u>4,983,970</u>
	<u>\$ 11,660,221</u>

Note 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>
Secondary Roads	Rural Services	<u>\$ 920,000</u>

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

Ringgold County, Iowa
Notes to Financial Statements
June 30, 2024

Note 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	\$ 34,970	\$ -	\$ -	\$ 34,970
Intangibles, other	30,000	-	-	30,000
Construction in progress	4,393,853	-	(4,393,853)	-
Total capital assets not being depreciated/amortized	4,458,823	-	(4,393,853)	64,970
Capital assets being depreciated/ amortized				
Buildings	4,711,474	46,415	-	4,757,889
Improvements other than buildings	428,097	-	-	428,097
Equipment and vehicles	7,295,701	285,909	(172,347)	7,409,263
Right-to-use leased equipment	53,193	-	(53,193)	-
Intangibles, other	13,808	-	-	13,808
Infrastructure, road network	17,301,599	6,040,003	-	23,341,602
Infrastructure, other	113,000	-	-	113,000
Total capital assets being depreciated/amortized	29,916,872	6,372,327	(225,540)	36,063,659
Less accumulated depreciation/ amortization for				
Buildings	1,585,563	105,275	-	1,690,838
Improvements other than buildings	86,538	19,313	-	105,851
Equipment and vehicles	5,303,439	283,206	(172,347)	5,414,298
Right-to-use leased equipment	43,428	9,765	(53,193)	-
Intangibles, other	8,284	2,762	-	11,046
Infrastructure, road network	5,904,005	787,926	-	6,691,931
Infrastructure, other	18,050	4,650	-	22,700
Total accumulated depreciation/ amortization	12,949,307	1,212,897	(225,540)	13,936,664
Total capital assets being depreciated/amortized, net	16,967,565	5,159,430	-	22,126,995
Governmental activities on capital assets, net	\$ 21,426,388	\$ 5,159,430	\$ (4,393,853)	\$ 22,191,965

Ringgold County, Iowa
Notes to Financial Statements
June 30, 2024

Depreciation/amortization expense was charged to the following functions:

Governmental Activities

Public safety and legal services	\$ 106,270
Physical health and social services	15,251
County environment and education	61,737
Roads and transportation	982,986
Governmental services to residents	3,962
Administration	<u>42,691</u>
Total depreciation/amortization expense	<u>\$ 1,212,897</u>

Note 5. County Farm Lease Receivable

The County owns the Don and Connie Huff Wildlife Area. Effective March 1, 2023, the County entered into a three-year lease with a third party whereby the third party rents the Farm. The County is to receive \$15,540 in land rent annually with an implicit rate of 5.50%.

<u>Year Ending June 30,</u>	Don and Connie Huff Wildlife Area Agricultural Lease		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	<u>\$ 14,730</u>	<u>\$ 810</u>	<u>\$ 15,540</u>
Total	<u>\$ 14,730</u>	<u>\$ 810</u>	<u>\$ 15,540</u>

Ringgold County, Iowa
Notes to Financial Statements
June 30, 2024

Note 6. Due to Other Governments

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

Fund	Description	Amount
General	Services	\$ 28,883
Secondary roads		384
Total for governmental funds		<u>\$ 29,267</u>
Custodial		
County offices	Collections	\$ 10,119
Agricultural extension education		1,018
Schools		43,395
Community colleges		3,243
Corporations		9,850
Townships		1,787
Auto license and use tax		216,249
Other		28,411
Total for custodial funds		<u>\$ 314,072</u>

Note 7. Long-Term Liabilities

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Lease agreements	\$ 10,192	\$ -	\$ (10,192)	\$ -	\$ -
General obligation bonds	710,000	-	(175,000)	535,000	175,000
Compensated absences	213,638	140,276	(135,910)	218,004	145,248
Net pension liability	971,339	265,780	-	1,237,119	-
Total OPEB liability	378,056	80,744	-	458,800	-
	<u>\$ 2,283,225</u>	<u>\$ 486,800</u>	<u>\$ (321,102)</u>	<u>\$ 2,448,923</u>	<u>\$ 320,248</u>

Lease Agreements

On April 16, 2019, the County entered into a lease agreement for copiers. An initial lease liability was recorded in the amount of \$35,806. The agreement requires monthly payments of \$1,155 over five years with an initial payment made April 24, 2019 for \$1,155, with an implicit interest rate of 4.75% and final payment due March 5, 2024. During the year ended June 30, 2024, the County paid the remaining lease payment of principal and interest of \$10,192 and \$203, respectively.

Ringgold County, Iowa
Notes to Financial Statements
June 30, 2024

General Obligation Bonds Payable

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

Year Ending June 30,	Interest Rates	County Jail Issued September 17, 2019		
		Principal	Interest	Total
2025	2.00%	\$ 175,000	\$ 10,700	\$ 185,700
2026	2.00%	180,000	7,200	187,200
2027	2.00%	180,000	3,600	183,600
Total		<u>\$ 535,000</u>	<u>\$ 21,500</u>	<u>\$ 556,500</u>

On October 22, 2019, the County issued \$1,330,000 general obligation local option sales tax refunding bonds, Series 2019A to currently refund the outstanding debt of the general obligation local option sales tax bonds, Series 2010. The bonds bear interest at 2.00% to 4.00% per annum and mature June 1, 2027. During the year ended June 30, 2024, the County paid principal of \$175,000 and interest of \$14,000 on the bonds.

On June 12, 2025, the County issued \$1,925,000 general obligation landfill bonds, Series 2025. The bonds bear interest at 3.5% to 4.75% per annum and mature June 1, 2044.

Note 8. Pension Plan

Plan Description

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

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

Pension Benefits

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

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

Ringgold County, Iowa
Notes to Financial Statements
June 30, 2024

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

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

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

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

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

Disability and Death Benefits

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

Contributions

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

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

The County's contributions to IPERS for the year ended June 30, 2024 totaled \$315,961.

Ringgold County, Iowa
Notes to Financial Statements
June 30, 2024

Net Pension Liability, Pension Expense (Reduction), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the County reported a liability of \$1,237,119 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 0.027408%, which was an increase of 0.001699% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the County recognized pension expense (reduction) of \$(109,598).

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	\$ 227,748	\$ 5,648
Changes of assumptions	-	31,057
Net difference between projected and actual earnings on IPERS' investments	182,562	-
Changes in proportion and differences between County contributions and County's proportionate share of contributions	49,875	210,752
County contributions subsequent to the measurement date	315,961	-
Total	<u>\$ 776,146</u>	<u>\$ 247,457</u>

The amount of \$315,961 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	\$ (58,850)
2026	(169,931)
2027	374,487
2028	57,047
2029	9,975
Total	<u>\$ 212,728</u>

There were no non-employer contributing entities to IPERS.

Ringgold County, Iowa
Notes to Financial Statements
June 30, 2024

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 of investment (effective June 30, 2017)	7.00% compounded annually, net 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 estate	9.0	3.88
Private credit	4.5	4.60
Total	100.0%	

Discount Rate

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

Sensitivity of the County’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the County’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the County’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 3,257,849	\$ 1,237,119	\$ (456,757)

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.

Note 9. Other Postemployment Benefits (OPEB)

Plan Description

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

OPEB Benefits

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

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

Inactive employees or beneficiaries currently receiving benefit payments	-
Active employees	73
Total	73

Ringgold County, Iowa
Notes to Financial Statements
June 30, 2024

Total OPEB Liability

The County's total OPEB liability of \$458,800 was measured as of June 30, 2024 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

Rate of inflation (effective June 30, 2024)	2.60% per annum.
Rates of salary increase (effective June 30, 2024)	3.25% per annum, including inflation.
Discount rate (effective June 30, 2024)	4.21% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2024)	8.00% initial rate decreasing by 0.5% annually to an ultimate rate of 4.50%.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.21% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year	<u>\$ 378,056</u>
Changes for the year	
Service cost	40,582
Interest	17,290
Differences between expected and actual experiences	(5,382)
Changes in assumptions	28,254
Benefit payments	<u>-</u>
Net changes	<u>80,744</u>
Total OPEB liability end of year	<u><u>\$ 458,800</u></u>

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

Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.21%) or 1% higher (5.21%) than the current discount rate.

	<u>1% Decrease (3.21%)</u>	<u>Discount Rate (4.21%)</u>	<u>1% Increase (5.21%)</u>
Total OPEB liability	\$ 492,244	\$ 458,800	\$ 427,828

Sensitivity of the County's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (7.00%) or 1% higher (9.00%) than the current healthcare cost trend rates.

	<u>1% Decrease (7.00%)</u>	<u>Healthcare Cost Trend Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
Total OPEB liability	\$ 415,616	\$ 458,800	\$ 509,662

OPEB Expense (Reduction)

For the year ended June 30, 2024, the County recognized OPEB expense (reduction) of \$(80,744). Under the alternative measurement method, all deferred outflows/inflows of resources related to OPEB are fully recognized immediately.

Note 10. Risk Management

The County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 800 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, employment practices liability, public officials liability, cyber liability and law enforcement liability. There have been no reductions in insurance coverage from prior years.

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

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

Ringgold County, Iowa
Notes to Financial Statements
June 30, 2024

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 \$235,187.

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

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

The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 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 \$1,000,000 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.

In the normal course of business, the County is, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas that may not be covered by the County's insurance. The County evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of legal counsel, management records an estimate of the amount of ultimate expected loss, if any, for each. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

Note 11. Employee Health Insurance Plan

The County partially self-funds the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered by Employee Benefits System. Employee Benefit Systems/Cobra Administrator (EBS) provides a service designed to administer compliance requirements. All claims handling procedures are performed by an independent claims administrator. Settled claims have not exceeded the plan coverage during any of the past three years.

The cash balance held by Employee Benefits System and reported in the General Fund was \$207,902 at June 30, 2024.

Required Supplementary Information

Ringgold County, Iowa
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

	<u>Actual</u>	<u>Budgeted Amounts</u>		<u>Final to Net Variance</u>
		<u>Original</u>	<u>Final</u>	
Receipts				
Property and other county tax	\$ 4,341,720	\$ 4,285,620	\$ 4,285,620	\$ (56,100)
Interest and penalty on property tax	26,195	15,100	15,100	(11,095)
Intergovernmental	4,658,711	4,547,882	4,570,271	(88,440)
Licenses and permits	31,273	11,000	11,000	(20,273)
Charges for service	282,879	270,217	270,217	(12,662)
Use of money and property	307,472	75,540	220,540	(86,932)
Miscellaneous	292,496	373,929	376,244	83,748
Total receipts	<u>9,940,746</u>	<u>9,579,288</u>	<u>9,748,992</u>	<u>(191,754)</u>
Disbursements				
Public safety and legal services	1,721,611	2,056,065	2,065,065	343,454
Physical health and social services	997,310	1,045,808	1,075,008	77,698
County environment and education	452,517	503,135	503,135	50,618
Roads and transportation	4,573,063	4,894,965	4,894,965	321,902
Governmental services to residents	381,715	340,962	405,128	23,413
Administration	1,079,058	1,139,520	1,165,130	86,072
Debt service	189,200	189,700	189,700	500
Capital projects	553,377	1,390,000	1,390,000	836,623
Total disbursements	<u>9,947,851</u>	<u>11,560,155</u>	<u>11,688,131</u>	<u>1,740,280</u>
Change in Balances	(7,105)	(1,980,867)	(1,939,139)	(1,932,034)
Balance, Beginning of Year	<u>6,683,356</u>	<u>5,665,494</u>	<u>5,665,494</u>	<u>(1,017,862)</u>
Balance, End of Year	<u>\$ 6,676,251</u>	<u>\$ 3,684,627</u>	<u>\$ 3,726,355</u>	<u>\$ (2,949,896)</u>

Ringgold County, Iowa
Budgetary Comparison Schedule – Budget to GAAP Reconciliation
Required Supplementary Information
Year Ended June 30, 2024

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 9,940,746	\$ 370,792	\$ 10,311,538
Expenditures	9,947,851	158,424	10,106,275
Net	(7,105)	212,368	205,263
Beginning fund balance	6,683,356	421,790	7,105,146
Ending fund balance	<u>\$ 6,676,251</u>	<u>\$ 634,158</u>	<u>\$ 7,310,409</u>

Ringgold County, Iowa
Notes to Required Supplementary Information – Budgetary Reporting
Year Ended 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 blended component units 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 and the Special Revenue Funds. 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, a budget amendment increased budgeted disbursements by \$127,976. The budget amendment is 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 amounts budgeted.

Ringgold County, Iowa
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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's proportion of the net pension liability (asset)	0.027408%	0.025709%	0.165084%	0.036538%	0.032914%	0.032488%	0.033175%	0.033008%	0.028354%	0.029155%
County's proportionate share of the net pension liability (asset)	\$ 1,237	\$ 971	\$ (570)	\$ 2,567	\$ 1,906	\$ 2,056	\$ 2,210	\$ 2,077	\$ 1,401	\$ 1,156
County's covered payroll	\$ 3,358	\$ 3,247	\$ 3,163	\$ 3,479	\$ 2,911	\$ 2,974	\$ 2,883	\$ 2,770	\$ 2,462	\$ 2,524
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	36.84%	29.90%	-18.02%	73.79%	65.48%	69.13%	76.66%	74.98%	56.90%	45.80%
IPERS' net position as a percentage of the total pension liability (asset)	90.13%	91.40%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

* 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.

Ringgold County, Iowa
Schedule of County Contributions
Iowa Public Employees' Retirement System
For the Last Ten Years
(In Thousands)
Required Supplementary Information

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 315	\$ 312	\$ 304	\$ 322	\$ 330	\$ 299	\$ 271	\$ 262	\$ 252	\$ 222
Contributions in relation to the statutorily required contribution	<u>(315)</u>	<u>(312)</u>	<u>(304)</u>	<u>(322)</u>	<u>(330)</u>	<u>(299)</u>	<u>(271)</u>	<u>(262)</u>	<u>(252)</u>	<u>(222)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 3,670	\$ 3,358	\$ 3,247	\$ 3,163	\$ 3,479	\$ 2,911	\$ 2,974	\$ 2,883	\$ 2,770	\$ 2,462
Contributions as a percentage of covered payroll	8.58%	9.29%	9.36%	10.18%	9.49%	10.27%	9.11%	9.09%	9.10%	9.02%

Ringgold County, Iowa
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%.

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

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

Ringgold County, Iowa
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	2020	2019	2018
Service cost	\$ 40,582	\$ 41,776	\$ 55,311	\$ 52,412	\$ 50,522	\$ 48,299	\$ 46,173
Interest cost	17,290	16,554	10,570	12,679	19,171	19,974	18,884
Difference between expected and actual experiences	(5,382)	(20,233)	(38,544)	(13,806)	(107,042)	(15,310)	(51,034)
Changes in assumptions	28,254	(960)	(37,839)	11,601	15,400	11,067	(4,189)
Benefit payments	<u>-</u>	<u>(43,644)</u>	<u>(64,206)</u>	<u>(55,369)</u>	<u>(43,536)</u>	<u>(28,981)</u>	<u>(17,771)</u>
Net change in total OPEB liability	<u>80,744</u>	<u>(6,507)</u>	<u>(74,708)</u>	<u>7,517</u>	<u>(65,485)</u>	<u>35,049</u>	<u>(7,937)</u>
Total OPEB liability beginning of year	<u>378,056</u>	<u>384,563</u>	<u>459,271</u>	<u>451,754</u>	<u>517,239</u>	<u>482,190</u>	<u>490,127</u>
Total OPEB liability end of year	<u><u>\$ 458,800</u></u>	<u><u>\$ 378,056</u></u>	<u><u>\$ 384,563</u></u>	<u><u>\$ 459,271</u></u>	<u><u>\$ 451,754</u></u>	<u><u>\$ 517,239</u></u>	<u><u>\$ 482,190</u></u>
Covered-employee payroll	\$ 3,550,061	\$ 2,952,126	\$ 3,066,874	\$ 6,521,234	\$ 3,356,871	\$ 3,241,397	\$ 2,907,736
Total OPEB liability as a percentage of covered-employee payroll	12.9%	12.8%	12.5%	13.0%	13.5%	16.0%	16.6%

Ringgold County, Iowa
Notes to Required Supplementary Information – OPEB Liability
Year Ended June 30, 2024

Changes in Benefit Terms

There were no significant changes in benefit terms.

Changes in Assumptions

The 2024 valuation implemented the following refinements as a result of a new actuarial opinion dated June 30, 2024:

- Healthcare cost trend rate increased from 7% initial rate to 8% initial rate.

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

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

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

Year ended June 30, 2024	4.21%
Year ended June 30, 2023	4.13%
Year ended June 30, 2022	4.09%
Year ended June 30, 2021	2.19%
Year ended June 30, 2020	2.66%
Year ended June 30, 2019	3.51%
Year ended June 30, 2018	3.87%
Year ended June 30, 2017	4.50%

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

Supplementary Information

Ringgold County, Iowa
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue														
	County Recorder's Records Management	REAP	K-9 Unit	Sheriff's Commissary	Sheriff's Special	Sheriff's Forfeiture	Sheriff's Reserves	Liberty Lake	Nature Center Trust	Public Health Endowment	Public Health Better Health	Start to Soar Endowment	Local Government Opioid Abatement	Padgett Trust	Total
ASSETS															
Cash and pooled investments	\$ 14,988	\$ 27,867	\$ 714	\$ 27,669	\$ 7,659	\$ 3,880	\$ 14,516	\$ 5,752	\$ 24,904	\$ 15,830	\$ 9,860	\$ 45,425	\$ 44,196	\$ -	\$ 243,260
Receivables															
Accounts	119	-	-	441	-	-	-	-	250	-	-	-	-	248,997	249,807
Accrued interest	-	2	-	-	-	-	1	-	-	-	-	-	185	-	188
Opioid settlement	-	-	-	-	-	-	-	-	-	-	-	-	47,664	-	47,664
Total assets	<u>\$ 15,107</u>	<u>\$ 27,869</u>	<u>\$ 714</u>	<u>\$ 28,110</u>	<u>\$ 7,659</u>	<u>\$ 3,880</u>	<u>\$ 14,517</u>	<u>\$ 5,752</u>	<u>\$ 25,154</u>	<u>\$ 15,830</u>	<u>\$ 9,860</u>	<u>\$ 45,425</u>	<u>\$ 92,045</u>	<u>\$ 248,997</u>	<u>\$ 540,919</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES															
Liabilities															
Accounts payable	\$ -	\$ -	\$ 75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	75
Deferred Inflows of Resources															
Unavailable revenues															
Other	-	-	-	-	-	-	-	-	-	-	-	-	47,664	-	47,664
Fund Balances															
Restricted for															
Public safety and legal services	-	-	639	28,110	7,659	3,880	14,517	-	-	-	-	-	-	-	54,805
Other purposes	15,107	27,869	-	-	-	-	-	5,752	25,154	15,830	9,860	45,425	44,381	248,997	438,375
Total fund balances	<u>15,107</u>	<u>27,869</u>	<u>639</u>	<u>28,110</u>	<u>7,659</u>	<u>3,880</u>	<u>14,517</u>	<u>5,752</u>	<u>25,154</u>	<u>15,830</u>	<u>9,860</u>	<u>45,425</u>	<u>44,381</u>	<u>248,997</u>	<u>493,180</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,107</u>	<u>\$ 27,869</u>	<u>\$ 714</u>	<u>\$ 28,110</u>	<u>\$ 7,659</u>	<u>\$ 3,880</u>	<u>\$ 14,517</u>	<u>\$ 5,752</u>	<u>\$ 25,154</u>	<u>\$ 15,830</u>	<u>\$ 9,860</u>	<u>\$ 45,425</u>	<u>\$ 92,045</u>	<u>\$ 248,997</u>	<u>\$ 540,919</u>

Ringgold County, Iowa
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2024

	Special Revenue														
	County Recorder's Records Management	REAP	K-9 Unit	Sheriff's Commissary	Sheriff's Special	Sheriff's Forfeiture	Sheriff's Reserves	Liberty Lake	Nature Center Trust	Public Health Endowment	Public Health Better Health	Start to Soar Endowment	Local Government Opioid Abatement	Padgett Trust	Total
Revenues															
Property and other county tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,351	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,351
Intergovernmental	-	8,927	-	-	-	-	-	-	-	-	-	-	-	-	8,927
Charges for service	1,500	-	-	2,927	-	-	-	-	-	-	-	-	-	-	4,427
Use of money and property	-	26	-	-	-	-	15	-	-	-	-	-	1,296	-	1,337
Miscellaneous	-	-	-	-	392	-	-	3,290	5,108	23,710	-	15,050	22,956	248,997	319,503
Total revenues	1,500	8,953	-	2,927	392	-	2,366	3,290	5,108	23,710	-	15,050	24,252	248,997	336,545
Expenditures															
Operating															
Public safety and legal services	-	-	75	4,309	-	1,000	918	-	-	-	-	-	-	-	6,302
Physical health and social services	-	-	-	-	-	-	-	-	-	18,358	-	-	-	-	18,358
County environment and education	-	2,272	-	-	-	-	-	-	910	-	-	-	-	-	3,182
Total expenditures	-	2,272	75	4,309	-	1,000	918	-	910	18,358	-	-	-	-	27,842
Change in Fund Balances	1,500	6,681	(75)	(1,382)	392	(1,000)	1,448	3,290	4,198	5,352	-	15,050	24,252	248,997	308,703
Fund Balances, Beginning of Year	13,607	21,188	714	29,492	7,267	4,880	13,069	2,462	20,956	10,478	9,860	30,375	20,129	-	184,477
Fund Balances, End of Year	\$ 15,107	\$ 27,869	\$ 639	\$ 28,110	\$ 7,659	\$ 3,880	\$ 14,517	\$ 5,752	\$ 25,154	\$ 15,830	\$ 9,860	\$ 45,425	\$ 44,381	\$ 248,997	\$ 493,180

Ringgold County, Iowa
Combining Schedule of Fiduciary Net Position
Custodial Funds
June 30, 2024

	County Offices	Agricultural Extension Education	County Assessor	Schools	Community Colleges	Corporations	Townships	Auto License and Use Tax	WRD Landfill	WRD Landfill Closure	Other	Total
ASSETS												
Cash, cash equivalents and pooled investments												
County Treasurer	\$ 10,119	\$ 1,018	\$ 638,423	\$ 43,395	\$ 3,243	\$ 9,850	\$ 1,787	\$ 216,249	\$ 831,020	\$ 2,682,568	\$ 546,298	\$ 4,983,970
Receivables												
Property tax												
Succeeding year	-	131,000	316,000	5,323,000	439,000	1,325,000	248,000	-	-	-	2,825,000	10,607,000
Due from other governments	-	-	-	-	-	-	-	-	-	-	46,139	46,139
Accounts	-	-	-	-	-	-	-	-	-	-	2,840	2,840
Accrued interest	-	-	-	-	-	-	-	-	2,133	10,969	570	13,672
Total assets	10,119	132,018	954,423	5,366,395	442,243	1,334,850	249,787	216,249	833,153	2,693,537	3,420,847	15,653,621
LIABILITIES												
Liabilities												
Accounts payable	-	-	-	-	-	-	-	-	-	-	4,773	4,773
Salaries and benefits payable	-	-	7,258	-	-	-	-	-	-	-	2,278	9,536
Due to other governments	10,119	1,018	-	43,395	3,243	9,850	1,787	216,249	-	-	28,411	314,072
Total liabilities	10,119	1,018	7,258	43,395	3,243	9,850	1,787	216,249	-	-	35,462	328,381
Deferred Inflows of Resources												
Unavailable revenues	-	131,000	316,000	5,323,000	439,000	1,325,000	248,000	-	-	-	2,825,000	10,607,000
Net Position												
Restricted for individuals, organizations, and other governments	\$ -	\$ -	\$ 631,165	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 833,153	\$ 2,693,537	\$ 560,385	\$ 4,718,240

Ringgold County, Iowa
Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds
Year Ended June 30, 2024

	County Offices	Agricultural Extension Education	County Assessor	Schools	Community Colleges	Corporations	Townships	Auto License and Use Tax	WRD Landfill	WRD Landfill Closure	Other	Total
Additions												
Property and other county tax	\$ -	\$ 123,429	\$ 298,430	\$ 5,189,090	\$ 393,099	\$ 1,176,275	\$ 261,462	\$ -	\$ -	\$ -	\$ 2,669,343	\$ 10,111,128
911 surcharge	-	-	-	-	-	-	-	-	-	-	239,361	239,361
State tax credits	-	6,291	16,511	262,459	20,033	153,639	9,034	-	-	-	85,457	553,424
Office fees and collections	243,560	-	-	-	-	-	-	-	-	-	-	243,560
Auto licenses, use tax and postage	-	-	-	-	-	-	-	2,394,293	-	-	106	2,394,399
Assessments	-	-	-	-	-	-	-	-	-	-	9,821	9,821
Trusts	-	-	-	-	-	-	-	-	-	-	74,639	74,639
Miscellaneous	-	-	23,714	-	-	-	-	-	237,612	303,617	86,825	651,768
Total additions	243,560	129,720	338,655	5,451,549	413,132	1,329,914	270,496	2,394,293	237,612	303,617	3,165,552	14,278,100
Deductions												
Agency remittances												
To other funds	71,794	-	-	-	-	-	-	76,037	-	-	-	147,831
To other governments	171,766	129,750	240,541	5,452,752	413,221	1,331,223	270,500	2,318,256	1,019,706	-	3,259,227	14,606,942
Total deductions	243,560	129,750	240,541	5,452,752	413,221	1,331,223	270,500	2,394,293	1,019,706	-	3,259,227	14,754,773
Changes in Fiduciary Net Position	-	(30)	98,114	(1,203)	(89)	(1,309)	(4)	-	(782,094)	303,617	(93,675)	(476,673)
Net Position, Beginning of Year	-	30	533,051	1,203	89	1,309	4	-	1,615,247	2,389,920	654,060	5,194,913
Net Position, End of Year	\$ -	\$ -	\$ 631,165	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 833,153	\$ 2,693,537	\$ 560,385	\$ 4,718,240

Ringgold County, Iowa
Schedule of Revenues by Source and Expenditures by Function – All Governmental Funds
For the Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
Property and other county tax	\$ 3,860,845	\$ 3,524,331	\$ 3,458,833	\$ 3,505,539	\$ 3,391,159	\$ 3,517,966	\$ 3,292,202	\$ 3,195,851	\$ 2,931,456	\$ 2,837,838
Local option sales tax	520,285	474,970	555,190	441,029	385,054	271,033	219,170	221,998	254,284	230,466
Interest and penalty on property tax	26,195	27,434	24,101	39,509	21,357	31,168	32,971	31,241	29,651	24,531
Intergovernmental	4,790,748	4,950,311	4,986,142	5,029,303	4,461,276	4,565,599	4,717,482	4,282,827	4,140,608	4,320,091
Licenses and permits	29,070	32,050	7,850	2,550	1,829	1,670	2,430	5,889	6,478	5,160
Charges for service	284,641	342,195	339,837	521,716	493,604	564,891	510,463	526,088	607,592	692,795
Use of money and property	260,484	190,282	23,900	91,397	133,372	119,888	62,580	41,584	43,008	19,881
Miscellaneous	539,270	136,765	196,335	305,289	77,312	44,993	86,636	226,260	265,610	253,576
Total	<u>\$ 10,311,538</u>	<u>\$ 9,678,338</u>	<u>\$ 9,592,188</u>	<u>\$ 9,936,332</u>	<u>\$ 8,964,963</u>	<u>\$ 9,117,208</u>	<u>\$ 8,923,934</u>	<u>\$ 8,531,738</u>	<u>\$ 8,278,687</u>	<u>\$ 8,384,338</u>
Deductions										
Operating										
Public safety and legal services	\$ 1,685,757	\$ 1,747,300	\$ 1,501,716	\$ 1,452,646	\$ 1,353,803	\$ 1,346,232	\$ 1,176,508	\$ 1,219,348	\$ 1,178,873	\$ 1,200,676
Physical health and social services	1,012,677	703,592	688,696	806,578	928,929	866,376	797,038	876,562	908,686	936,530
Mental health	-	387,443	544,619	579,219	611,077	743,769	495,121	538,254	472,049	347,648
County environment and education	468,858	773,060	543,694	461,491	419,808	355,409	388,775	533,431	510,165	284,962
Roads and transportation	4,746,309	4,417,937	3,912,575	3,656,186	3,936,669	3,823,123	3,623,125	3,687,481	4,486,955	3,133,951
Governmental services to residents	374,794	317,579	363,459	294,273	295,849	254,600	285,148	269,699	331,843	261,746
Administration	1,133,292	1,143,492	1,104,902	1,021,387	924,186	857,458	833,028	814,989	791,547	905,990
Non-program	-	-	-	-	314,614	46,590	-	-	350,941	10,995
Debt service	189,200	191,000	182,200	183,200	-	-	488,118	19,423	489,955	195,555
Capital projects	495,388	320,551	392,833	611,157	217,118	269,856	318,517	486,580	-	-
Total	<u>\$ 10,106,275</u>	<u>\$ 10,001,954</u>	<u>\$ 9,234,694</u>	<u>\$ 9,066,137</u>	<u>\$ 9,002,053</u>	<u>\$ 8,563,413</u>	<u>\$ 8,405,378</u>	<u>\$ 8,445,767</u>	<u>\$ 9,521,014</u>	<u>\$ 7,278,053</u>

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*

Independent Auditor's Report

Board of Supervisors
Ringgold County, Iowa
Mount Ayr, Iowa

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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Ringgold County, Iowa (the County), 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 21, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2024-001, 2024-002 and 2024-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

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

Ringgold County's Responses to Findings

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

Forvis Mazars, LLP

Kansas City, Missouri
July 21, 2025

Findings Related to the Financial Statements

Internal Control Deficiencies

Reference Number	Segregation of Duties											
2024-001	Criteria – Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the County's financial statements. Condition – Generally, one or two individuals in the offices identified may have control over the following areas for which no compensating control exist: <table><tr><th></th><th>Applicable Offices</th></tr><tr><td>(1) One individual has control over opening and listing mail receipts, collecting, depositing, posting and daily reconciling of receipts.</td><td>Conservation Board, County Sheriff, County Recorder, County Treasurer and Public Health</td></tr><tr><td>(2) 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.</td><td>County Sheriff, County Recorder and Public Health</td></tr><tr><td>(3) The person who signs checks was not independent of the person preparing checks, approving disbursements and recording cash disbursements.</td><td>County Recorder</td></tr><tr><td>(4) Garnishments collected are not reconciled or reviewed by an independent person.</td><td>County Sheriff</td></tr></table> Cause – The County offices noted above have a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes. Effect – Inadequate segregation of duties could adversely affect each County office's ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees in the normal course of performing their assigned functions. Recommendation – Each official should review the control activities of their office to obtain the maximum internal control possible under the circumstances. The official should utilize current personnel, including elected officials, to provide additional control through review of financial transactions, reconciliations, and reports.			Applicable Offices	(1) One individual has control over opening and listing mail receipts, collecting, depositing, posting and daily reconciling of receipts.	Conservation Board, County Sheriff, County Recorder, County Treasurer and Public Health	(2) 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.	County Sheriff, County Recorder and Public Health	(3) The person who signs checks was not independent of the person preparing checks, approving disbursements and recording cash disbursements.	County Recorder	(4) Garnishments collected are not reconciled or reviewed by an independent person.	County Sheriff
	Applicable Offices											
(1) One individual has control over opening and listing mail receipts, collecting, depositing, posting and daily reconciling of receipts.	Conservation Board, County Sheriff, County Recorder, County Treasurer and Public Health											
(2) 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.	County Sheriff, County Recorder and Public Health											
(3) The person who signs checks was not independent of the person preparing checks, approving disbursements and recording cash disbursements.	County Recorder											
(4) Garnishments collected are not reconciled or reviewed by an independent person.	County Sheriff											

Responses –

Conservation Board – The Ringgold County Conservation Board only employs one staff member, making segregation of duties impossible. The staff and Conservation Board have detailed records for deposits and claims and the Conservation Board reviews the financial transactions, reconciliations and reports at their regular monthly meeting. The Conservation Department has also recently updated to an online reservation platform for camping, shelters and events. This helps minimize the amount of cash handling by the Department. The Conservation Board and staff use every method available to them to ensure that these duties are handled properly including utilizing volunteers during large events to double/triple count all funding raised.

Recorder – Only two people in the office so we do take turns doing items daily.

Sheriff – Between Civil Clerk, Sheriff and Chief Deputy the mail is opened and cross checked by another individual. Should one of them be absent, the day shift officer serves as the independent reviewer.

Treasurer – We continue dual verification of motor vehicle records transactions and deposit balancing at the end of the day. Cash drawers have been designated for each of the deputies. At least two people handle the incoming mail transactions daily. One person will open the mail and the transactions are split for processing between motor vehicle and tax.

Public Health – We do not have the staff to segregate those duties. We require another staff member to verify all deposits, make sure the money is counted correctly and sign off.

Reference Number	Financial Reporting
2024-002	Criteria – A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the County's financial statements. Condition – Certain balance sheet items were not properly recorded on an accrual basis. Adjustments were subsequently made by the County to properly include these amounts in the financial statements. Cause – County policies do not require, and procedures have not been established to require independent review of year end cut-off and other transactions to ensure the County's financial statements are accurate and reliable. Effect – Lack of policies and procedures resulted in County employees not detecting the errors in the normal course of performing their assigned functions. As a result, material adjustments to the County's financial statements were necessary. Recommendation – The County should establish procedures to ensure all accounts receivable, accounts payable, receipts and capital projects are identified and properly reported in the County's financial statements. Response – The County has created a year-end close checklist to incorporate the entries necessary to move the financial statements from a cash basis to an accrual basis of accounting. Additionally, monthly reconciliations are being performed to ensure accrual balances are properly recorded and tracked.

Reference Number	County Treasurer Bank Reconciliations
2024-003	Criteria – An effective internal control system provides for internal controls related to ensuring proper accounting for all funds by maintaining appropriate accounting records and reconciling bank and book balances. Condition – During the year ended June 30, 2024, reconciliation of the Treasurer's balance was higher than the general ledger and bank balances with an unresolved variance of \$76,076. Cause – Procedures have not been implemented to ensure all accounts are reconciled, variances are resolved, and the amounts recorded in the books and bank accounts are complete and accurate. Effect – A lack of bank to book reconciliations and unresolved variances can result in unrecorded transactions, undetected errors and the opportunity for misappropriation. Recommendation – To improve financial accountability and control, monthly bank reconciliation variances should be investigated and resolved timely. Response – Bank account reconciliations are done timely as statements come in, recorded and reported to the board of supervisors monthly. We will continue to work on resolving the variance and our method of bank to book reconciliation.

Ringgold County, Iowa
Schedule of Findings and Responses
Year Ended June 30, 2024

(Continued)

Reference Number	Other Findings Related to Required Statutory Reporting		
2024-A	Certified Budget – Disbursements during the year ended June 30, 2024 did not exceed the amounts budgeted.		
2024-B	Questionable Expenditures –We noted no expenditures that we believe may fail to meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.		
2024-C	Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.		
2024-D	Business Transactions – Business transactions between the County and County officials or employees are detailed as follows:		
	<u>Name, Title and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
	Gregg Cannon, Husband of County Treasurer Debra Cannon, owner of Cannon Port A John Rentals	Portable toilet rental for County parks and Secondary Roads, per bid	\$ 7,875
	Gregg Cannon, Husband of County Treasurer Debra Cannon, owner of Cannon Sales and Service	Lawn mowing service and parts	1,533
In accordance with Chapter 331.342(2)(c) of the Code of Iowa, the transactions with Gregg Cannon for \$7,600 do not appear to represent a conflict of interest since the transactions were competitively bid and were publicly invited and open.			
In accordance with Chapter 331.342(2)(j) of the Code of Iowa, the remaining transactions do not represent a conflict of interest since the total transactions with each were less than \$6,000 during the fiscal year.			

Ringgold County, Iowa
Schedule of Findings and Responses
Year Ended June 30, 2024

(Continued)

Reference Number	Other Findings Related to Required Statutory Reporting
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 coverage should be reviewed annually to ensure the coverage is adequate for current operations.
2024-G	Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
2024-H	Deposits and Investments – No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.
2024-I	Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).