New Issue

Date of Sale: Tuesday, August 27, 2024 *(Alternate Bid Methods)*
Between 10:00 and 10:30 A.M., C.D.T. *(Closed SpeerAuction)*
Before 10:30 A.M., C.D.T. *(Sealed Bids)*

Investment Rating:
S&P Global Ratings …
(Rating Requested)

Official Statement

*In the opinion of Dorsey & Whitney LLP, Bond Counsel, according to present laws, rulings and decisions and assuming the accuracy of certain representations and compliance with certain covenants, the interest on the Bonds (i) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers by Section 55 of the Code. Interest on the Bonds may, however, be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code). In the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "**TAX EXEMPTION AND RELATED TAX MATTERS**" herein.*

$6,150,000*
WINNEBAGO COUNTY, IOWA
General Obligation Urban Renewal Bonds, Series 2024

Dated Date of Delivery **Book-Entry** **Non-Callable** **Bank Qualified** **Due Serially June 1, 2026 - 2028**

The $6,150,000* General Obligation Urban Renewal Bonds, Series 2024 (the "Bonds") are being issued by the Winnebago County, Iowa (the "County" or the "Issuer"). Interest is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2024. Interest is calculated based on a 360-day year of twelve 30-day months. The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on June 1 in the following years and amounts.

AMOUNTS*, MATURITIES, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS

Principal Amount*	Due June 1	Interest Rate	Price or Yield	CUSIP Number(1)	Principal Amount*	Due June 1	Interest Rate	Price or Yield	CUSIP Number(1)
$1,950,000	2026	______%	______%	___________	$2,150,000...........	2028	______%	______%	___________
2,050,000	2027	______%	______%	___________					

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

OPTIONAL REDEMPTION

The Bonds are **not** subject to optional redemption prior to maturity.

PURPOSE, LEGALITY AND SECURITY

The proceeds of the Bonds are expected to be used to: (i) pay the costs of the Winnebago County Road and Bridge Improvement Projects, (ii) pay the costs of urban renewal project, and (iii) pay certain costs of issuance related to the Bonds.

The Bonds are valid and binding general obligations of the County, and all taxable property within the boundaries of the County is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount. See "**SECURITY AND SOURCE OF PAYMENT**" herein.

The County intends to designate the Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986.

This Official Statement is dated August 14, 2024, and has been prepared under the authority of the County. An electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Official Statement Sales Calendar". Additional copies may be obtained from Karla Weiss, County Auditor, Winnebago County, 126 S. Clark Street, Forest City, Iowa, 50436, or from the Registered Municipal Advisors to the County.

Speer Financial, Inc.
INDEPENDENT MUNICIPAL ADVISORS • ESTABLISHED 1954

**Subject to principal adjustment in accordance with the Official Terms of Offering.*

(1) CUSIP numbers appearing in this Official Statement have been provided by CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The County is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Bonds or as set forth on the cover of this Official Statement.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the County from time to time (collectively, the "Official Statement"), may be treated as an Official Statement with respect to the Bonds described herein that is deemed near final as of the date hereof (or the date of any such supplement or correction) by the County.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law or deemed appropriate by the County, shall constitute a "Final Official Statement" of the County with respect to the Bonds, as that term is defined in Rule 15c2-12. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled "Final Official Statement" rather than through supplementing the Official Statement by an addendum or addenda.

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement or the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the County. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the County and, while believed to be reliable, is not guaranteed as to completeness. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COUNTY SINCE THE RESPECTIVE DATES THEREOF.

No representation is made regarding whether the Bonds constitute legal investments under the laws of any state for banks, savings banks, savings and loan associations, life insurance companies, and other institutions organized in such state, or fiduciaries subject to the laws of such state.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTION 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED. THE REGISTRATION OR QUALIFICATIONS OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement, they will be furnished on request. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12.

TABLE OF CONTENTS

BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement, including the Official Terms of Offering and the Official Bid Form, which are provided for the convenience of potential investors and should be reviewed in their entirety by potential investors.

Issuer:	Winnebago County, Iowa.
Issue:	$6,150,000* General Obligation Urban Renewal Bonds, Series 2024.
Dated Date:	Date of delivery (expected to be on or about September 25, 2024).
Interest Due:	Each June 1 and December 1, commencing December 1, 2024.
Principal Due:	Serially each June 1, commencing June 1, 2026 through 2028, as detailed on the cover page of this Official Statement.
No Optional Redemption:	The Bonds are **not** subject to optional redemption prior to maturity.
Authorization:	The Bonds are being issued pursuant to authority established in Code of Iowa, 2023 as amended, Chapters 331 and 403 (collectively, the "Act"), and all laws amendatory thereof and supplementary thereto, and in conformity with a resolution (the "Resolution" or the "Bond Resolution") of the County duly passed and approved.
Security:	The Bonds are valid and binding general obligations of the County, and all taxable property within the boundaries of the County is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount.
Investment Rating:	An investment rating for the Bonds has been requested from S&P Global Ratings, New York, New York. See **"INVESTMENT RATING"** herein.
Purpose:	The proceeds of the Bonds will be used to: (i) pay the costs of the Winnebago County Road and Bridge Improvement Projects, (ii) pay the costs of urban renewal project, and (iii) to pay the costs of issuing the Bonds.
Tax Exemption:	Dorsey & Whitney LLP, Des Moines, Iowa, will provide an opinion as to the tax exemption of the Bonds as discussed under **"TAX EXEMPTION AND RELATED TAX MATTERS"** in this Official Statement.
Bank Qualified:	The County intends to designate the Bonds as "qualified tax-exempt obligations".
Bond Registrar/Paying Agent:	UMB Bank, n.a., West Des Moines, Iowa (the "Registrar").
Delivery:	The Bonds are expected to be delivered on or about September 25, 2024.
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository of the Bonds. See **APPENDIX B** herein.
Denomination:	$5,000 or integral multiples thereof.
Municipal Advisor:	Speer Financial, Inc., Waterloo, Iowa and Chicago, Illinois.

**Subject to change.*

WINNEBAGO COUNTY, IOWA

Board of Supervisors

Terry Durby	Chairperson
Bill Jensvold	Member
Susan Smith	Member

Officials

Suzanne McColloch	County Assessor
Kelsey A. Beenken, Esq.	County Attorney
Karla Weiss	County Auditor
Shanna Eastvold	County Recorder
Steve Hepperly	County Sheriff
Julie Swenson	County Treasurer

SECURITY AND SOURCE OF PAYMENT

Pursuant to the Resolution and the Act, the Bonds and the interest thereon are general obligations of the County, and all taxable property within the corporate boundaries of the County is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount.

Section 76.2 of the Code of Iowa, 2023, as amended (the "Iowa Code"), provides that when an Iowa political subdivision issues general obligation bonds, the governing authority of such political subdivision shall, by resolution adopted before issuing the bonds, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds. A certified copy of this resolution shall be filed with the County Auditor in which the Issuer is located, giving rise to a duty of the County Auditor to annually enter this levy for collection from the taxable property within the boundaries of the Issuer, until funds are realized to pay the bonds in full.

For the purpose of providing for the levy and collection of a direct annual tax sufficient to pay the principal of and interest on the Bonds as the same become due, the Resolution provides for the levy of a tax sufficient for that purpose on all the taxable property in the Issuer in each of the years while the Bonds are outstanding. The Issuer shall file a certified copy of the Resolution with the County Auditor, pursuant to which the County Auditor is instructed to enter for collection and assess the tax authorized. When annually entering such taxes for collection, the County Auditor shall include the same as a part of the tax levy for Debt Service Fund purposes of the Issuer and when collected, the proceeds of the taxes shall be converted into the Debt Service Fund of the Issuer and set aside therein as a special account to be used solely and only for the payment of the principal of and interest on the Bonds and for no other purpose whatsoever.

Pursuant to the provisions of Section 76.4 of the Iowa Code, each year while the Bonds remain outstanding and unpaid, any funds of the Issuer which may lawfully be applied for such purpose, may be appropriated, budgeted and, if received, used for the payment of the principal of and interest on the Bonds as the same become due, and if so appropriated, the taxes for any given fiscal year as provided for in the Resolution, shall be reduced by the amount of such alternate funds as have been appropriated for said purpose and evidenced in the Issuer's budget.

CERTAIN BONDHOLDERS' RISKS

An investment in the Bonds involves an element of risk. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the appendices hereto) in order to make a judgement as to whether the Bonds are an appropriate investment.

Changes in Property Taxation

From time to time the Iowa General Assembly has altered the method of property taxation and could do so again. Any alteration in property taxation structure could affect property tax revenues available to pay the Bonds.

Historically, the Iowa General Assembly has applied changes in property taxation structure on a prospective basis; however, there is no assurance that future changes in property taxation structure by the Iowa General Assembly will not be retroactive. It is impossible to predict the outcome of future property tax changes by the Iowa General Assembly or their potential negative impact, if any, on the Bonds and the security for the Bonds.

Matters Relating to Enforceability of Agreements

There is no bond trustee or similar person to monitor or enforce the provisions of the Resolution. The owners of the Bonds should, therefore, be prepared to enforce such provisions themselves if the need to do so arises. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the City and certain other public officials to perform the terms of the Resolution) may have to be enforced from year to year.

Bondholders shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Iowa (the "State") and of the United States of America for the enforcement of payment of the Bonds, including, but not limited to, the right to a proceeding in law or in equity by suit, action or mandamus to enforce and compel performance of the duties required by Iowa law and the Resolution.

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Resolution or the Loan Agreement. The remedies available to the Bondholders upon an event of default under the Resolution or the Loan Agreement, in certain respects, may require judicial action, which is often subject to discretion and delay. Under existing law, including specifically the federal bankruptcy code, certain of the remedies specified in the Loan Agreement or the Resolution may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in these documents. The legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and public policy and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

No representation is made, and no assurance is given, that the enforcement of any remedies will result in sufficient funds to pay all amounts due under the Resolution or the Loan Agreement, including principal of and interest on the Bonds.

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history of economic prospects connected with a particular issue, secondary marketing practices in connection with a particular bond or note issue are suspended or terminated. Additionally, prices of bond or note issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price of the Bonds.

EACH PROSPECTIVE PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE BONDS AND MUST BE ABLE TO BEAR THE ECONOMIC RISK OF SUCH INVESTMENT. THE SECONDARY MARKET FOR THE BONDS, IF ANY, COULD BE LIMITED.

Ratings Loss

S&P Global Ratings ("S&P") has assigned a rating of "___" to the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of S&P's, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

Various factors, including additional regulation of rating agencies could materially alter the methodology, rating levels, and types of ratings available, for example, and these changes, if ever, could materially affect the market value of the Bonds.

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "anticipated," "plan," "expect," "projected," "estimate," "budget," "pro-forma," "forecast," "intend," "expect" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and the actual results. These differences could be material and could impact the availability of funds of the County to pay debt service when due on the Bonds.

Tax Matters, Bank Qualification and Loss of Tax Exemption

As discussed under the heading "**TAX EXEMPTION AND RELATED TAX MATTERS"** herein, the interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Bonds, as a result of acts or omissions of the Issuer in violation of its covenants in the Resolution. Should such an event of taxability occur, the Bonds would not be subject to a special redemption and would remain outstanding until maturity or until redeemed under the redemption provisions contained in the Bonds, and there is no provision for an adjustment of the interest rate on the Bonds.

The County will designate the Bonds as "qualified tax-exempt obligations" under the exception provided in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and has further covenanted to comply with certain other requirements, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code. However, the Issuer's failure to comply with such covenants could cause the Bonds not to be "qualified tax-exempt obligations" and banks and certain other financial institutions would not receive more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

It is possible that actions of the Issuer after the closing of the Bonds will alter the tax exempt status of the Bonds, and, in the extreme, remove the tax exempt status from the Bonds. In that instance, the Bonds are not subject to mandatory prepayment, and the interest rate on the Bonds does not increase or otherwise reset. A determination of taxability on the Bonds, after closing of the Bonds, could materially adversely affect the value and marketability of the Bonds.

DTC-Beneficial Owners

Beneficial Owners of the Bonds may experience some delay in the receipt of distributions of principal of and interest on the Bonds since such distributions will be forwarded by the Bond Registrar to DTC and DTC will credit such distributions to the accounts of the Participants which will thereafter credit them to the accounts of the Beneficial Owner either directly or indirectly through Indirect Participants. Neither the County nor the Bond Registrar will have any responsibility or obligation to assure that any such notice or payment is forwarded by DTC to any Participants or by any Participant to any Beneficial Owner.

In addition, since transactions in the Bonds can be effected only through DTC Participants, Indirect Participants and certain banks, the ability of a Beneficial Owner to pledge the Bonds to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such Bonds, may be limited due to lack of a physical certificate. Beneficial Owners will be permitted to exercise the rights of registered Owners only indirectly through DTC and the Participants. See **APPENDIX B – Describing Book-Entry Only Issuance**.

Pension and Other Postemployment Benefits (OPEB)

The County participates in the Iowa Public Employee's Retirement System (IPERS). Summary descriptions of the IPERS Plan follows, for more detailed information including amongst other things pension benefits, Issuer's deferred outflows and inflows on resources related to pensions, actuarial assumptions, discount rate sensitivity, and expenses, see **APPENDIX A – FISCAL YEAR 2023 AUDIT Note 7**.

In fiscal year 2023, pursuant to the IPERS' required rate, the County's Regular employees (members) contributed 6.29% of covered payroll and the County contributed 9.44% of covered payroll, for a total rate of 15.73%. The Sheriff, deputies and the County each contributed 9.44% of covered payroll, for a total rate of 17.52%. Protection occupation members contributed 6.21% of covered payroll and the County contributed 9.31% of covered payroll, for a total rate of 17.52%. The County's contributions to IPERS for the year ended June 30, 2023 were $510,646. The County has always made its full required contributions to IPERS.

At June 30, 2023, the County reported a net pension liability of $1,484,095 for its proportionate share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The discount rate used to measure the total pension liability was 7%. While the County's contributions to IPERS are controlled by state law, there can be no assurance the County will not be required by changes in State law to increase its contribution requirement in the future, which may have the effect of negatively impacting the finances of the County. See "**APPENDIX A – AUDITED FINANCIAL STATEMENTS**" for additional information on pension and liabilities of the County.

Bond Counsel, the Municipal Advisor, and the County undertake no responsibility for and make no representations as to the accuracy or completeness of the information available from IPERS discussed above or included on the IPERS website, including, but not limited to, updates of such information on the State Auditor's website or links to other Internet sites accessed through the IPERS website.

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.

The following table shows the County's changes to the total OPEB liability:

Total OPEB Liability Beginning of Year	$193,641
Changes for the year:	
Service Cost	16,159
Interest	9,309
Differences Between Expected and Actual Experiences	(12,580)
Benefit Payments	(10,840)
Net Changes	2,048
Total OPEB Liability End of Year	$195,689

See **APPENDIX A – Notes (7)** and **(8)** herein for further discussion of the County's employee retirement benefit obligations.

Continuing Disclosure

A failure by the County to comply with continuing disclosure obligations (see **"CONTINUING DISCLOSURE"** herein) will not constitute an event of default on the Bonds. Any such failure must be disclosed in accordance with Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and may adversely affect the transferability and liquidity of the Bonds and their market price.

The County will covenant in a Continuing Disclosure Certificate for the benefit of the Owners and Beneficial Owners of the Bonds to provide annually certain financial information and operating data relating to the County (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. See "**APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE**." The specific nature of the information to be contained in the Annual Report or the notices of events, and the manner in which such materials are to be filed, are summarized in "**APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE**." These covenants have been made in order to assist the Underwriter in complying with the Rule.

Cybersecurity

The County, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the County will be completely successful to guard against and prevent cyber threats and attacks. Failure to properly maintain functionality, control, security, and integrity of the County's information systems could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant. Along with significant liability claims or regulatory penalties, any security breach could have a material adverse impact on the County's operations and financial condition. The County cannot predict whether its cyber liability policy will be sufficient in the event of a cyberattack. However, the Bonds are secured by an unlimited ad valorem property tax as described herein. See **"SECURITY AND SOURCE OF PAYMENT"** herein.

Suitability of Investment

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Bankruptcy and Insolvency

The rights and remedies provided in the Resolution may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations in legal remedies against exercise of judicial discretion in appropriate cases and to limitations on legal remedies against municipal corporations in the State. The various opinions of counsel to be delivered with respect to the Bonds and the Resolution, including the opinion of Bond Counsel, will be similarly qualified. If the County were to file a petition under Chapter Nine of the Federal Bankruptcy Code, the owners of the Bonds could be prohibited from taking any steps to enforce their rights under the Resolution. In the event the County fails to comply with its covenants under the Resolution or fails to make payments on the Bonds, there can be no assurance of the availability of remedies adequate to protect the interests of the holders of the Bonds.

Under sections 76.16 and 76.16A of the Iowa Code, as amended, a city, county, or other political subdivision may become a debtor under Chapter Nine of the Federal Bankruptcy Code, if it is rendered insolvent, as defined in 11 U.S.C. §101(32)(c), as a result of a debt involuntarily incurred. As used therein, "debt" means an obligation to pay money, other than pursuant to a valid and binding collective bargaining agreement or previously authorized bond issue, as to which the governing body of the city, county, or other political subdivision has made a specific finding set forth in a duly adopted resolution of each of the following: (1) that all or a portion of such obligation will not be paid from available insurance proceeds and must be paid from an increase in general tax levy; (2) that such increase in the general tax levy will result in a severe, adverse impact on the ability of the city, county, or political subdivision to exercise the powers granted to it under applicable law, including without limitation providing necessary services and promoting economic development; (3) that as a result of such obligation, the city, county, or other political subdivision is unable to pay its debts as they become due; and (4) that the debt is not an obligation to pay money to a city, county, entity organized pursuant to Chapter 28E of the Iowa Code, or other political subdivision.

Legislation

From time to time, there are proposals pending in Congress and in the Iowa General Assembly that could, if enacted, alter or amend one or more of the matters described herein in certain respects or would adversely affect the market value of the Bonds, or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Bonds. In addition regulatory actions are from time to time announced or proposed, and litigation threatened or commenced, which if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Tax Levy Procedures

The Bonds are general obligations of the County, payable from and secured by a continuing ad valorem tax levied against all of the taxable real property within the corporate limits of the County. See **"PROPERTY ASSESSMENT AND TAX INFORMATION"** herein for more details. As part of the budgetary process each fiscal year, the County will have an obligation to request a debt service levy to be applied against all of the taxable real property within the corporate limits of the County. A failure on the part of the County to make a timely levy request or a levy request by the County that is inaccurate or is insufficient to make full payments of the debt service of the Bonds for a particular fiscal year may cause Bondholders to experience delay in the receipt of distributions of principal of and/or interest on the Bonds. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the County and certain other public officials to perform the terms of the Resolution) may have to be enforced from year to year.

Loss of Tax Base

Economic and other factors beyond the County's control, such as economic recession, deflation of property values, or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire or other natural disaster, could cause a reduction in the assessed value within the corporate boundaries of the County. In addition, the State of Iowa has been susceptible to tornados, flooding and other extreme weather wherein winds and flooding have from time to time caused significant damage, which if such events were to occur, may have an adverse impact on the County's financial position.

Risk of Audit

The Internal Revenue Service has an ongoing program to audit tax-exempt obligations to determine the legitimacy of the tax status of such obligations. No assurance can be given as to whether the Internal Revenue Service will commence an audit of the Bonds. Public awareness of any audit could adversely affect the market value and liquidity of the Bonds during the pendency of the audit, regardless of the ultimate outcome of the audit.

Other Factors

An investment in the Bonds involves an element of risk. The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should become thoroughly familiar with this entire Official Statement and the Appendices hereto.

THE COUNTY

The County is located in the north central portion of Iowa, has its administrative offices located in Forest City (the "City"). The City of Forest City, the county seat, is located approximately 25 miles south of the Minnesota border. The County covers approximately 402 square miles. The first County government was founded in 1847. The County is comprised of all or part of seven cities, seventeen unincorporated townships and five public community school districts. The population of the County was 10,679 in 2020 according to the U.S. Census.

County Organization and Services

The County currently operates under a three-member Board of Supervisors. The Board of Supervisors is the legislative authority over the County. Annually, the Board adopts a budget and establishes tax rates to support County programs. Other elected officials include 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 employs approximately 100 full and part-time employees, which includes 9 County Sheriff employees. The labor unions representing certain County employee groups are: Secondary roads, Sheriff and Communications. The bargaining agreement between the County and the labor unions expires on June 30, 2025.

Education

The County is served primarily by portions of five public community school districts: Forest City, Lake Mills, North Iowa, and Titonka.

Post-secondary education is available at the following schools: by North Iowa Area Community College with its main campus in Mason City, Iowa; Iowa Lakes Community College with its main campus in Estherville, Iowa; Waldorf University which is a private liberal arts school offering several certificate, associate, bachelor's and master's degree programs.

Transportation

The City is at the intersection of U.S. Highway 69 and State Highway 9. Access throughout the County is provided via U.S. Highway 69, Iowa State Highway 9 as well as an excellent network of paved county roads. In addition, Interstate Highways 18 and 35 lay approximately 25 and 30 miles south and east of the City, respectively.

SOCIOECONOMIC INFORMATION

The following demographic information is for the County. Additional comparisons are made with the State of Iowa (the "State").

Population

The following table reflects population trends for the County and the State.

Population Comparison*(1)*

Year	The County	Percent Change	The State	Percent Change
1970	12,990	n/a	2,824,376	n/a
1980	13,010	0.15%	2,913,808	3.17%
1990	12,122	(6.83%)	2,776,755	(4.70%)
2000	11,723	(3.29%)	2,926,324	5.39%
2010	10,866	(7.31%)	3,046,355	4.10%
2020	10,679	(1.72%)	3,190,369	4.73%

Note: (1) Source: U.S. Bureau of the Census.

Employment

Following are lists of large employers located in the County.

Major County Employers*(1)*

Name	Product/Service	Approximate Employment(2)
Winnebago Industries	Recreational Vehicle Manufacturer	1,585
Waldorf University	Private Four-Year College	217
Forest City Community School District	Public Education	173
3M	Distribution Center	124
HyVee	Grocery Store	110
Lake Mills Community School District	Public Education	105
CDi, LLC	Auto Repair and Painting	100
Winnebago County	Local Government	100
Ovation Eggs	Liquid Egg Processing/Food Production	95
Norseman Trucking	OTR Trucking	64

Note: (1) Source: County and ReferenceUSA.
(2) Employees include full and part-time as well as seasonal employees.

The following tables show employment by industry and by occupation for the County and the State as reported by the U.S. Census Bureau 2018 - 2022 American Community Survey 5-year estimated values.

Employment By Industry*(1)*

	The County		The State	
Classification	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining	270	4.9%	59,661	3.7%
Construction	281	5.1%	109,620	6.7%
Manufacturing	1,139	20.7%	241,735	14.9%
Wholesale trade	250	4.5%	43,644	2.7%
Retail trade	727	13.2%	188,572	11.6%
Transportation and warehousing, and utilities	270	4.9%	84,056	5.2%
Information	61	1.1%	23,201	1.4%
Finance and insurance, and real estate and rental and leasing	317	5.8%	125,957	7.7%
Professional, scientific, and management, and administrative and waste management services	170	3.1%	122,753	7.5%
Educational services, and health care and social assistance	1,316	23.9%	393,500	24.2%
Arts, entertainment, and recreation, and accommodation and food services	409	7.4%	114,116	7.0%
Other services, except public administration	239	4.3%	68,874	4.2%
Public administration	46	0.8%	51,745	3.2%
Total	5,495	100.0%	1,627,434	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey 5-Year Estimates from 2018 - 2022.

Employment By Occupation*(1)*

Classification	The County Number	The County Percent	The State Number	The State Percent
Management, business, science, and arts occupations	1,809	32.9%	620,397	38.1%
Service occupations	762	13.9%	251,632	15.5%
Sales and office occupations	1,091	19.9%	321,247	19.7%
Natural resources, construction, and maintenance occupations	584	10.6%	154,866	9.5%
Production, transportation, and material moving occupations	1,249	22.7%	279,292	17.2%
Total	5,495	100.0%	1,627,434	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey 5-Year Estimates from 2018 - 2022.

The Following shows the annual average unemployment rates for the County, the State and the United States.

Annual Average Unemployment Rates*(1)(2)*

Calendar Year	The County	The State	United States
2015	3.9%	3.7%	5.3%
2016	3.4%	3.6%	4.9%
2017	3.1%	3.1%	4.4%
2018	2.6%	2.6%	3.9%
2019	2.7%	2.7%	3.7%
2020(3)	6.3%	5.2%	8.1%
2021(3)	3.8%	3.8%	5.4%
2022	2.8%	2.8%	3.6%
2023	3.8%	2.9%	3.6%
2024(4)	2.7%	2.7%	3.7%

Notes: (1) Source: Iowa Workforce Development and U.S. Bureau of Labor Statistics.
(2) Not seasonally adjusted.
(3) The increase in unemployment rates may be attributable to the COVID-19 pandemic.
(4) Preliminary rates for the month of May 2024.

Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the County's owner-occupied homes was $121,700. This compares to $181,600 for the State. The following table represents the five year average market value of specified owner-occupied units for the County and the State at the time of the 2018 - 2022 American Community Survey.

Home Values*(1)*

Value	The County Number	The County Percent	The State Number	The State Percent
Less than $50,000	264	7.8%	66,889	7.2%
$50,000 to $99,999	1,008	29.6%	129,783	14.1%
$100,000 to $149,999	895	26.3%	158,953	17.2%
$150,000 to $199,999	492	14.5%	157,129	17.0%
$200,000 to $299,999	426	12.5%	206,136	22.3%
$300,000 to $499,999	264	7.8%	152,269	16.5%
$500,000 to $999,999	39	1.1%	44,144	4.8%
$1,000,000 or more	12	0.4%	7,381	0.8%
Total	3,400	100.0%	922,684	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2018 - 2022.

Mortgage Status*(1)*

Mortgage Status	The County Number	The County Percent	The State Number	The State Percent
Housing units with a mortgage	1,599	47.0%	552,272	59.9%
Housing units without a mortgage	1,801	53.0%	370,412	40.1%
Total	3,400	100.0%	922,684	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2018 - 2022.

Income and Benefits

The U.S. Census Bureau 5-year estimated values reported that the County had a median family income of $86,098. This compares to $90,921 for the State. The following table represents the distribution of family incomes for the County and the State at the time of the 2018 - 2022 American Community Survey.

Family Income*(1)*

	The County		The State	
Income	Number	Percent	Number	Percent
Less than $10,000	52	1.9%	19,266	2.4%
$10,000 to $14,999	60	2.2%	12,209	1.5%
$15,000 to $24,999	30	1.1%	31,695	3.9%
$25,000 to $34,999	193	7.1%	40,734	5.1%
$35,000 to $49,999	301	11.1%	75,502	9.4%
$50,000 to $74,999	540	19.8%	136,964	17.1%
$75,000 to $99,999	449	16.5%	131,007	16.3%
$100,000 to $149,999	687	25.2%	188,746	23.5%
$150,000 to $199,999	165	6.1%	86,058	10.7%
$200,000 or more	244	9.0%	81,095	10.1%
Total	2,721	100.0%	803,276	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2018 to 2022.

The U.S. Census Bureau 5-year estimated values reported that the County had a median household income of $62,853. This compares to $70,571 for the State. The following table represents the distribution of household incomes for the County and the State at the time of the 2018 - 2022 American Community Survey.

Household Income*(1)*

	The County		The State	
Income	Number	Percent	Number	Percent
Less than $10,000	209	4.6%	53,544	4.2%
$10,000 to $14,999	198	4.4%	46,854	3.6%
$15,000 to $24,999	353	7.8%	96,051	7.4%
$25,000 to $34,999	410	9.1%	100,749	7.8%
$35,000 to $49,999	605	13.4%	153,024	11.9%
$50,000 to $74,999	890	19.7%	231,140	17.9%
$75,000 to $99,999	639	14.2%	183,917	14.3%
$100,000 to $149,999	756	16.8%	234,590	18.2%
$150,000 to $199,999	185	4.1%	98,518	7.6%
$200,000 or more	266	5.9%	91,752	7.1%
Total	4,511	100.0%	1,290,139	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2018 - 2022.

Agriculture

Shown below is information on the agricultural value of the County and the statewide average.

Average Value Per Acre*(1)*

	2019	2020	2021	2022	2023
Average Value Per Acre:					
The County	$7,246	$7,357	$9,786	$11,577	$11,870
State of Iowa	7,432	7,559	9,751	11,411	11,835

Note: (1) Source: Iowa State University Extension and Outreach.

Local Option Sales Tax

The County approved a 1% local option sales and service tax ("Local Option Tax") at a special referendum. The County's Local Option Tax referendum question stated that proceeds of such tax would be designated 25% for property tax relief in the unincorporate area of the County and 75% for County betterment, including but not limited to, rural services fund, secondary roads, emergency services, infrastructure, or any lawful use.

The State Director of Revenue (the "Director") administers collection and disbursement of all local option sales and services taxes in conjunction with administration of the State-wide sales, services and use tax. The Director credits the Local Option Tax receipts to the County's account in the Local Option Tax fund. Historically, by August 15 of each fiscal year, the Director is required to send the County an estimate of the amount of local option sales and services taxes it will receive for the year and by month. By August 31, the Director is required to remit 95% of the estimated tax receipts for the County to the County's account and by the last day of each following month. By November 10 of the next fiscal year, the Director is required to make the final payment, which could include needed adjustments for over- or under-payments when comparing actual tax receipts against the payments made based upon estimates. Beginning with the October 2022 Local Option Tax payment, the State Department of Revenue (the "Department of Revenue") makes distributions based on actual Local Option Tax receipts in the preceding month.

Local Option Taxes are based on the same sales currently taxed by the state-wide 6% sales and services tax, with the present statutory exceptions of (i) certain sales of motor fuel or special fuel as defined in Chapter 452A, (ii) the sale of natural gas or electric energy in a city or county where the gross receipts are subject to a franchise fee or user fee during the period the franchise or user fee is imposed, (iii) the sales price from a pay television service consisting of a direct-to-home satellite service, or (iv) the sale of equipment by the State Department of Transportation.

Once approved, a Local Option Tax can only be repealed through a public referendum at which a majority voting approves the repeal or tax rate change (or upon motion of the governing body), provided no obligations secured by the Local Option Tax are outstanding. If a Local Option Tax is not imposed county-wide, then the question of repeal is voted upon only by voters in such areas of a county where the tax has been imposed. Local Option Tax may not be repealed within one year of the effective date.

The following table shows the trend of the County's Local Option Tax receipts.

Local Option Tax Receipts*(1)*

Fiscal Year Ending June 30	Local Option Sales Tax Receipts(2)	Percent Change +(-)
2016	$355,046	n/a
2017	368,796	3.87%
2018	386,438	4.78%
2019	413,849	7.09%
2020	458,362	10.76%
2021	501,128	9.33%
2022	463,546	(7.50%)
2023	488,668	5.42%
2024	488,668(3)	0.00%

Notes: (1) Source: Iowa Department of Revenue.
(2) Includes a reconciliation payment attributable to the previous fiscal year for fiscal years 2016 through 2022.
(3) Collections received or expected to be received.

Retail Sales

The Department of Revenue provides retail sales figures based on sales tax reports for years ending June 30. The Department of Revenue figures provide recent data to confirm trends in retail sales activity in the County. The following amounts exclude the County's Local Option Tax.

Retail Taxable Sales*(1)*

Fiscal Year Ending June 30	Taxable Sales	Annual Percent Change + (-)
2013	$ 81,192,004	n/a
2014	84,798,748	4.44%
2015	88,167,298	3.97%
2016	88,282,381	0.13%
2017	90,078,417	2.03%
2018	91,850,760	1.97%
2019	90,005,845	(2.01%)
2020	95,981,022	6.64%
2021	106,983,039	11.46%
2022	107,537,851	0.52%

Growth from 2013 to 2022 .... 32.45%

Note: (1) Source: the Iowa Department of Revenue.

THE PROJECT

Bond proceeds will be used to: (i) pay the costs of the Winnebago County Road and Bridge Improvement Projects, (ii) pay the costs of urban renewal project, and (iii) pay the costs of issuance of the Bonds.

DEFAULT RECORD

The County has no record of default and has met its debt repayment obligations promptly.

SHORT-TERM BORROWING

The County has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

The remainder of this page was left blank intentionally.

DEBT INFORMATION

After issuance of the Bonds, the County will have outstanding $17,317,663* principal amount of general obligation debt.

Debt Limitation

The amount of general obligation debt a political subdivision of the State can incur is controlled by the constitutional debt limit, which is an amount equal to 5% of the actual value of taxable property within the corporate limits, taken from the last County Tax list. According to and based upon the January 1, 2023 property valuations, for taxes payable in September 2024 and March 2025, the County's debt limit, based upon said valuation, amounts to the following:

2023 100% Actual Valuation of Property	$1,449,149,833
Constitutional Debt Limit	$ 72,457,492
Outstanding Bonds/Notes Applicable to Debt Limit:	
Total G.O. Debt Subject to Debt Limit	$ 17,317,663*
Total Applicable Debt	$ 17,317,663*
Remaining Debt Capacity	$ 55,139,829*

The County does not expect to issue any additional general obligation debt in calendar year 2024.

Summary of Outstanding General Obligation Bonded Debt*(1)*
(Principal Only)

Series 2015A	$ 6,610,000
Series 2018	144,000
Series 2020A	1,730,000
Series 2021	2,683,663
The Bonds(2)	6,150,000
Total(2)	$17,317,663

Notes: (1) Source: the County.
(2) Subject to change.

**Subject to change.*

The remainder of this page was left blank intentionally.

General Obligation Debt*(1)*
(Principal Only)

Fiscal Year Ending June 30	Series 2015A	Series 2018	Series 2020A	Series 2021	Total Outstanding GO Debt	The Bonds(2)	Total General Obligation Debt(2)	Cumulative Retirement(2) Amount	Cumulative Retirement(2) Percent
2025	$1,590,000	$ 36,000	$ 420,000	$ 225,609	$ 2,271,609	$ 0	$ 2,271,609	$ 2,271,609	13.12%
2026	1,625,000	36,000	425,000	229,113	2,315,113	1,950,000	4,265,113	6,536,722	37.75%
2027	1,670,000	36,000	435,000	232,671	2,373,671	2,050,000	4,423,671	10,960,392	63.29%
2028	1,725,000	36,000	450,000	236,284	2,447,284	2,150,000	4,597,284	15,557,676	89.84%
2029	0	0	0	239,954	239,954	0	239,954	15,797,630	91.22%
2030	0	0	0	243,680	243,680	0	243,680	16,041,310	92.63%
2031	0	0	0	247,464	247,464	0	247,464	16,288,774	94.06%
2032	0	0	0	251,307	251,307	0	251,307	16,540,081	95.51%
2033	0	0	0	255,210	255,210	0	255,210	16,795,291	96.98%
2034	0	0	0	259,173	259,173	0	259,173	17,054,465	98.48%
2035	0	0	0	263,199	263,199	0	263,199	17,317,663	100.00%
Total	$6,610,000	$144,000	$1,730,000	$2,683,663	$17,317,663	$6,150,000	$17,317,663		

Notes: (1) Source: the County.
(2) Subject to change.

The remainder of this page was left blank intentionally.

Detailed Overlapping Bonded Debt*(1)*

	Outstanding Debt	Applicable to the County Percent(2)	Applicable to the County Amount
Cities:			
Buffalo Center	$ 445,474	100.00%	$ 445,474
Forest City	4,114,322	69.94%	2,876,323
Lake Mills	0	100.00%	0
Leland	91,739	100.00%	91,739
Rake	990,264	100.00%	990,264
Scarville	313,172	100.00%	313,172
Thompson	252,577	100.00%	252,577
Total Cities			$4,969,550
Schools:			
Algona (Titonka)	$ 369,311	0.93%	$ 3,431
Forest City	0	51.28%	0
Lake Mills	135,365	57.56%	77,921
North Iowa	1,226,000	71.81%	880,370
Total Schools			$ 961,722
Community College:			
Iowa Lakes	$ 9,675,000	0.01%	$ 968
North Iowa	11,015,000	8.66%	953,899
Total Community Colleges			$1,916,588
Total School, Community College and Cities Overlapping Bond Debt			$6,886,138

Notes: (1) Source: Treasurer State of Iowa outstanding obligations report for June 30, 2023.
(2) Overlapping debt percentages are based on levy year 2023 Taxable Valuation and have been rounded.
(3) Excludes $8,795,000 (ILCC) and $12,455,000 (NICC), of self-supporting industrial job training certificates, for which a stand-by property tax levy is available to pay debt service.

Statement of General Obligation Bonded Indebtedness*(1)(2)*

County January 1, 2023 Actual Value $1,449,149,833
County January 1, 2023 Taxable Value ....$ 853,418,468

	Total Principal	Percentage of Actual	Percentage of Taxable	Per Capita (2020 Population 10,679)
General Obligation Bonded Debt	$17,317,663	1.20%	2.03%	$1,621.66
Overlapping Debt				
Cities	$ 4,969,550	0.34%	0.58%	$ 465.36
Schools	961,722	0.07%	0.11%	593.05
Community Colleges	954,867	0.07%	0.11%	89.42
Total Overlapping Debt	$ 6,886,138	0.48%	0.80%	$1,147.82
Total General Obligation Bonded Debt and Overlapping Debt	$24,203,801	1.67%	2.84%	$2,769.48

January 1, 2023 Per Capita Actual Value $135,700.89
January 1, 2023 Per Capita Taxable Value .... $ 79,915.58

Notes: (1) Source: the County, Audited Financial Statements and Treasurer of the State of Iowa - Outstanding Obligations Report, debt as of June 30, 2023 for the Cities and Schools.
(2) As of the date of issuance for the Direct Bonded Debt and June 30, 2023 for Overlapping Debt.

PROPERTY ASSESSMENT AND TAX INFORMATION

Property Tax Assessment

In compliance with Section 441.21 of the Iowa Code, the Director annually directs all county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The final values, called Actual Valuation, are then adjusted by the County Auditor. Assessed or Taxable Valuation subject to tax levy is then determined by the application of State determined rollback percentages, principally to residential property and commercial property.

Beginning in 1978, the State required a reduction in Actual Valuation to reduce the impact of inflation on its residents. The resulting value is defined as the Assessed or Taxable Valuation. Such rollback percentages may be changed in future years. Certain historical rollback percentages for residential, multi-residential, agricultural and commercial valuations are as follows:

Percentages for Taxable Valuation After Rollbacks*(1)*

Fiscal Year	Residential	Multi-Residential	Ag Land & Buildings	Commercial & Industrial
2016/17	55.6259%	86.2500%	46.1068%	90.0000%
2017/18	56.9391%	82.5000%	47.4996%	90.0000%
2018/19	55.6209%	78.7500%	54.4480%	90.0000%
2019/20	56.9180%	75.0000%	56.1324%	90.0000%
2020/21	55.0743%	71.2500%	81.4832%	90.0000%
2021/22	56.4094%	67.5000%	84.0305%	90.0000%
2022/23	54.1302%	63.7500%	89.0412%	90.0000%
2023/24	54.6501%	n/a	91.6430%	90.0000%
2024/25	46.3428%	n/a	71.8370%	90.0000%

Notes: (1) Source: the Iowa Department of Revenue.
(2) In assessment year 2023 (applicable to fiscal year 2024/25 valuations), the taxable value rollback rate is 46.3428% of actual value for residential property; 71.8370% of actual value for agricultural property and 100.0000% of the actual value of utility property. The residential taxable rollback rate of 46.3428% applies to the value of each property unit of commercial, industrial and railroad property that exceeds zero dollars ($0), but does not exceed one hundred fifty thousand dollars ($150,000), with a taxable value rollback rate of 90.0000% to the value that exceeds one hundred fifty thousand dollars ($150,000).

Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following fiscal year. For example, the assessments finalized on January 1, 2023, are used to calculate tax liability for the tax year starting July 1, 2024 through June 30, 2025.

Actual (100%) Valuations for the County*(1)(2)*

Property Class	Fiscal Year: / Levy Year:	2020/21 2019	2021/22 2020	2022/23 2021	2023/24 2022	2024/25 2023
Residential		$ 431,014,120	$ 432,123,226	$ 455,424,140	$ 475,436,588	$ 641,243,382
Agricultural		353,669,765	354,156,099	332,397,986	332,620,910	432,010,942
Commercial		88,631,163	91,502,818	95,042,781	102,975,600	107,432,295
Industrial		160,898,910	160,898,910	116,162,160	128,117,004	143,793,858
Multi-residential(3)		15,931,680	15,919,200	16,992,810	0	0
Railroads		16,388,364	17,151,421	18,250,249	19,548,615	20,167,077
Utilities without Gas and Electric		15,538,416	16,005,561	15,637,045	15,924,031	16,670,163
Gas and Electric Utility		27,406,997	84,810,540	85,894,167	90,780,612	92,825,366
Less: Military Exemption		(1,055,640)	(1,001,932)	(942,668)	(896,368)	(4,993,250)
Total		$1,108,423,775	$1,171,565,843	$1,134,858,670	$1,164,506,992	$1,449,149,833
Percent Change +(-)		(9.20%)(4)	5.70%	(3.13%)	2.61%	24.44%

Notes: (1) Source: Iowa Department of Management.
(2) Includes tax increment finance (TIF) valuations used in the following amounts:

January 1:	2019	2020	2021	2022	2023
TIF Valuation	$194,165,730	$194,568,615	$138,509,973	$141,599,353	$134,999,674

(3) Included in Residential Property Class starting with January 1, 2022 valuations.
(4) Based on 2018 Actual Valuation of $1,220,764,291.

For the January 1, 2023 levy year, the County's Taxable Valuation was comprised of approximately 36% agriculture, 35% residential, 15% industrial, 9% commercial, 3% utilities, 2% railroads and less than 1% military exemption.

Taxable ("Rollback") Valuations for the County*(1)(2)*

Property Class	Fiscal Year: / Levy Year:	2020/21 2019	2021/22 2020	2022/23 2021	2023/24 2022	2024/25 2023
Residential		$237,377,983	$243,758,066	$246,521,898	$259,826,459	$297,170,189
Agricultural		288,181,464	297,599,159	295,971,183	304,823,801	310,343,659
Commercial		79,768,047	82,352,538	85,538,503	79,883,068	80,210,155
Industrial		144,809,019	144,809,019	104,545,944	115,260,406	127,285,042
Multi-residential(3)		11,351,330	10,745,482	10,832,927	0	0
Railroads		14,749,529	15,436,278	16,425,224	17,481,526	18,021,608
Utilities without Gas and Electric		15,538,416	15,773,305	15,637,045	15,924,031	16,670,163
Gas and Electric Utility		4,489,883	8,909,103	8,636,901	9,023,431	8,710,902
Less: Exemptions		(1,055,640)	(1,001,932)	(942,668)	(896,368)	(4,993,250)
Total		$795,210,031	$818,381,018	$783,166,957	$801,326,354	$853,418,468
Percent Change +(-)		2.55%(4)	2.91%	(4.30%)	2.32%	6.50%

Notes: (1) Source: Iowa Department of Management.
(2) Includes tax increment finance (TIF) valuations used in the following amounts:

January 1:	2019	2020	2021	2022	2023
TIF Valuation	$180,586,573	$180,989,458	$138,509,973	$141,599,353	$122,919,094

(3) Included in Residential Property Class starting with January 1, 2022 valuations.
(4) Based on 2018 Taxable Valuation of $775,407,349.

The following shows the trend in the County's tax extensions and collections.

Tax Extensions and Collections*(1)*

Levy Year	Fiscal Year	Amount Levied	Amount Collected(2)	Percent Collected
2018	2019-20	$6,738,932	$6,426,432	95.36%
2019	2020-21	7,149,621	6,911,551	96.67%
2020	2021-22	7,226,042	7,049,997	97.56%
2021	2022-23	7,066,472	6,891,328	97.52%
2022	2023-24	9,139,825	8,367,177(3)	91.55%
2023	2024-25	9,559,265	- -In Collection - -	

Notes: (1) Source: the State of Iowa Department of Management and the County. Does not include Levies for the County's tax increment finance district.
(2) Includes utility replacement, interest and penalties and delinquent taxes.
(3) Preliminary unaudited.

Principal Taxpayers*(1)*

Taxpayer Name	Business/Service	Levy Year 2023 Taxable Valuation(2)
Crystal Lake Wind LLC	Wind Energy	$ 83,643,836
Union Pacific Railroad	Railroad	18,021,608
Christensen Farms Midwest LLC	Agriculture	12,182,757
Landus Cooperative	Agriculture	12,076,641
Interstate Power & Light Company	Electric Utility	11,653,547
Winnebago Wind Power LLC	Utility	10,316,778
Dairyland Power Coop	Utility	8,719,290
Iowa Cage Free LLLP	Agriculture	7,323,409
Central Disposal Systems	Waste Disposal/Recycling	7,216,196
Five Star Cooperative	Agriculture	5,194,512
Total		$176,348,574
Ten Largest Taxpayers as Percent of County's 2023 Taxable Valuation ($853,418,468)		20.66%

Notes: (1) Source: the County.
(2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked.

Levy Limits

Normal municipal operations and maintenance costs are generally funded through the corporate property tax levy. The Iowa Code does not allow the municipal general fund to be taxed above $8.10 per thousand dollars of taxable value in any one year. In addition to the General Fund, there are several other tax funds that the County can create and use for specific purposes.

The property tax rates for the County from levy year 2019 through levy year 2023 are shown below:

Property Tax Rates*(1)*
(Per $1,000 Actual Valuation)

Fiscal Year:	2020/21	2021/22	2022/23	2023/24	2024/25
Levy Year:	2019	2020	2021	2022	2023
General Basic	$4.31983	$4.40033	$4.35074	$ 5.24180	$5.08913
General Supplemental	2.52194	2.29059	2.64353	4.11085	3.70295
Mental Health Services	0.58184	0.34341	0.00000	0.00000	0.00000
Debt Service	0.47181	0.45437	0.47287	0.41686	0.35417
EMS	0.00000	0.00000	0.00000	0.72454	0.65435
Total County Wide Total Rate	$7.89542	$7.48870	$7.46714	$10.49405	$9.80060
Total Rural	$5.45359	$5.72106	$5.28730	$ 5.02831	$4.80788
Additional State Rates:					
County Assessor	$0.59219	$0.59467	$0.64519	$ 0.64266	$0.66574
Ag Extension	0.27659	0.26671	0.29473	0.30758	0.30684
State	0.00270	0.00260	0.00240	0.00180	0.00180

Note: (1) Source: Iowa Department of Management.

FINANCIAL INFORMATION

Financial Reports

The County's financial statements are audited annually by certified public accountants. The County's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. See **APPENDIX A – FISCAL YEAR 2023 AUDITED FINANCIAL STATEMENTS"** for more detail.

No Consent or Updated Information Requested of the Auditor

The tables and excerpts (collectively, the "Excerpted Financial Information") contained in this "**FINANCIAL INFORMATION**" section are from the audited financial statements of the County, including the audited financial statements for the fiscal year ended June 30, 2023 (the "2023 Audit"). The 2023 Audit has been prepared by Gardiner & Company, P.C., Certified Public Accountants, Charles City, Iowa, (the "Auditor"), and received by the County. The County has not requested the Auditor to update information contained in the Excerpted Financial Information and the 2023 Audit; nor has the County requested that the Auditor consent to the use of the Excerpted Financial Information and the 2023 Audit in this Official Statement. The inclusion of the Excerpted Financial Information and the 2023 Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the County since the date of the 2023 Audit. Questions or inquiries relating to financial information of the County since the date of the 2023 Audit should be directed to the County.

Summary Financial Information

The following tables are summaries and do not purport to be the complete audits, copies of which are available upon request. See **APPENDIX A** for the County's 2023 Audit. The County's expects its General Fund balance for the fiscal year ending June 30, 2024 to increase by approximately $1,029,803. The County has approved a budget for fiscal year 2025 with an anticipated decrease to the General Fund balance of approximately $175,000.

Statement of Net Position
Governmental Activities*(1)*

	Audited for the Year Ended June 30				
	2019	2020	2021	2022	2023
Assets:					
Cash, Cash Equivalents and Pooled Investments	$ 7,549,484	$ 9,142,298	$13,451,957	$16,013,004	$15,341,384
Receivables:					
Property Tax:					
Delinquent	12,101	39,010	11,614	11,663	12,250
Succeeding Year	6,382,046	6,830,516	6,974,795	6,709,086	8,839,192
Succeeding Year Tax Increment Financing	3,149,768	3,176,843	3,129,920	2,096,949	2,357,960
Interest and Penalty on Property Tax	23	503	0	0	0
Accounts	152,374	187,804	197,980	324,191	132,767
Accrued Interest	62,081	48,280	96,435	32,390	36,718
Drainage Assessments	1,104,114	839,333	2,351,363	738,138	589,179
Opioid Settlement	0	0	0	0	142,340
Due from Other Governments	827,680	540,382	491,087	484,368	497,326
Notes Receivable	168,317	190,735	172,779	145,633	141,320
Inventories	1,071,833	897,539	863,280	648,432	910,483
Prepaid Insurance	52,594	57,378	59,651	79,513	94,780
Capital Assets Not Being Depreciated	38,186,671	38,052,679	40,605,866	39,502,004	3,692,158
Capital Assets, Net of Accumulated Depreciation/Amortization					37,737,927
Net Pension Asset	0	0	0	768,144	0
Total Assets	$58,719,086	$60,003,300	$68,406,727	$67,553,515	$70,525,784
Deferred Outflows of Resources:					
Pension Related Deferred Outflows	$ 999,032	$ 822,157	$ 912,476	$ 621,024	$ 683,442
Liabilities:					
Accounts Payable	$ 398,520	$ 701,285	$ 573,783	$ 328,495	$ 329,508
Accrued Interest Payable	83,580	69,969	116,543	56,621	50,368
Salaries and Benefits Payable	50,132	67,248	91,079	90,982	153,785
Due to Other Governments	119,741	16,527	28,280	24,121	31,738
Unearned Revenues	0	0	0	1,005,572	1,005,572
Long-Term Liabilities:					
Portion Due or Payable Within One Year:					
General Obligation Bonds	1,835,000	1,885,000	1,715,000	2,395,000	1,960,000
General Obligation Note	0	0	215,413	218,759	222,038
General Obligation Loans	97,655	99,042	100,446	101,741	36,000
Installment Purchases	0	0	0	0	83,548
Compensated Absences	274,992	317,134	327,034	323,697	388,101
Termination Benefits	39,322	0	0	0	0
Portion Due or Payable After One Year:					
General Obligation Bonds	19,755,000	17,870,000	12,695,000	10,300,000	8,340,000
General Obligation Note	0	0	3,124,587	2,902,679	2,680,638
General Obligation Loans	481,215	382,222	281,760	180,000	144,000
Installment Purchases	0	0	0	0	149,246
Drainage Warrants	962,014	844,093	2,119,265	618,358	479,705
Net Pension Liability	3,019,684	2,658,177	3,353,446	0	1,484,095
Total OPEB Liability	407,815	230,690	227,651	193,641	195,689
Total Liabilities	$27,524,670	$25,141,387	$24,969,287	$18,739,666	$17,734,031
Deferred Inflows of Resources:					
Unavailable Property Tax Revenue	$ 6,382,046	$ 6,830,516	$ 6,974,795	$ 6,709,086	$ 8,839,192
Unavailable Tax Increment Financing Revenue	3,149,768	3,176,843	3,129,920	2,096,949	2,357,960
Pension Related Deferred Inflows	451,221	744,616	259,529	3,251,120	393,711
OPEB Related Deferred Inflows	38,446	154,672	17,881	45,940	11,410
Total Deferred inflows of Resources	$10,021,481	$10,906,647	$10,382,125	$12,103,095	$11,602,273
Net Position:					
Net Invested in Capital Assets	$16,017,801	$17,816,415	$22,473,660	$23,403,825	$28,047,409
Restricted for:					
Supplemental Levy Purposes	783,482	912,943	905,937	718,151	484,947
Mental Health Purposes	87,214	93,038	299,271	0	0
Rural Services Purposes	518,173	227,518	367,991	680,381	737,740
Secondary Roads Purposes	1,905,007	1,886,486	2,661,804	2,871,922	3,437,787
Debt Service	226,592	237,211	242,438	254,791	271,102
Capital Projects	0	425,107	214,835	258,479	206,377
Opioid Settlement	0	0	0	0	181,736
Other Purposes	4,008,522	3,863,069	6,563,456	7,504,984	6,373,573
Unrestricted	(1,374,824)	(684,364)	238,399	1,639,245	2,132,251
Total Net Position	$22,171,967	$24,777,423	$33,967,791	$37,331,778	$41,872,922

Note: (1) Source: Audited financial statements of the County for the fiscal years ended June 30, 2019 through 2023.

Statement of Activities
Governmental Activities*(1)*

	Audited for the Year Ended June 30				
	2019	2020	2021	2022	2023
Functions/Programs:					
Governmental Activities:					
Public Safety and Legal Services	$ (1,715,094)	$ (1,915,979)	$ (2,025,546)	$ (2,012,527)	$ (2,547,736)
Physical Health and Social Services	(431,550)	(358,483)	(511,001)	(501,180)	(362,480)
Mental Health	(735,435)	(368,695)	(154,315)	(519,145)	0
County Environment and Education	(741,870)	(727,207)	(857,356)	(779,361)	184,628
Roads and Transportation	(2,273,684)	(2,908,963)	1,218,809	(2,801,086)	(852,698)
Governmental Services to Residents	(330,480)	(358,821)	(334,378)	(329,950)	(449,506)
Administration	(1,182,603)	(1,211,407)	(17,385)	(1,229,515)	(1,447,766)
Non-Program	113,323	(222,793)	294,219	(14,858)	(13,583)
Interest on Long-Term Debt	(580,303)	(525,404)	(481,193)	(396,478)	(354,918)
Total	$ (7,877,696)	$ (8,597,752)	$ (2,868,146)	$ (8,584,100)	$ (5,844,059)
General Revenues:					
Property and Other County Tax Levied For:					
General Purposes	$ 6,174,208	$ 6,041,878	$ 6,475,279	$ 6,630,780	$ 6,469,054
Debt Services	352,840	352,710	356,093	353,770	351,359
Penalty on Interest on Property Tax	25,744	13,045	34,797	25,067	26,656
State Tax Credits and Replacements	840,043	789,335	743,500	720,957	675,024
Local Options Sales Tax	412,778	421,245	505,792	522,297	494,632
Tax Increment Financing	3,335,718	3,129,722	3,176,844	3,129,920	2,096,950
Unrestricted Investment Earnings	209,244	198,256	137,861	111,327	221,478
Miscellaneous	265,729	273,875	428,994	453,969	64,029
Gain/Loss on Sale of Capital Assets	(13,750)	(16,858)	199,354	0	(13,979)
Total General Revenues	$ 11,602,554	$ 11,203,208	$ 12,058,514	$ 11,948,087	$ 10,385,203
Change In Net Position	$ 3,724,858	$ 2,605,456	$ 9,190,368	$ 3,363,987	$ 4,541,144
Net Position Beginning of Year	18,447,109	22,171,967	24,777,423	33,967,791	37,331,778
Net Position End of Year	$ 22,171,967	$ 24,777,423	$ 33,967,791	$ 37,331,778	$ 41,872,922

Note: (1) Source: Audited financial statements of the County for the fiscal years ended June 30, 2019 through 2023.

The remainder of this page was left blank intentionally.

Balance Sheet
General Fund*(1)*

	Audited as of				
	2019	2020	2021	2022	2023
Assets:					
Cash, Cash Equivalents and Pooled Investments	$ 2,370,746	$ 3,289,530	$ 5,085,792	$ 6,383,058	$ 5,670,606
Receivables:					
Property Tax:					
Delinquent	8,266	27,308	8,107	8,495	9,074
Succeeding Year	3,894,487	3,962,352	4,027,460	4,196,734	5,873,269
Interest and Penalty on Property Tax	23	503	0	0	0
Accounts	122,704	152,206	164,314	101,639	88,960
Accrued Interest	61,985	48,260	96,424	32,386	36,695
Due From Other Funds	0	381	0	0	0
Due From Other Governments	186,248	168,208	147,381	217,960	215,528
Prepaid Insurance	34,879	38,626	40,357	66,987	79,885
Total Assets	$ 6,679,338	$ 7,687,374	$ 9,569,835	$11,007,259	$11,974,017
Liabilities, Deferred Inflows of Resources, and Fund Balance:					
Liabilities:					
Accounts Payable	$ 44,717	$ 54,951	$ 56,743	$ 66,989	$ 186,787
Salaries and Benefits Payable	26,211	35,284	46,710	41,828	92,258
Due to Other Governments	20,364	11,776	22,811	23,064	27,027
Unearned Revenue	0	0	0	1,005,572	1,005,572
Compensated Absences	0	0	2,249	1,303	0
Total Liabilities	$ 91,292	$ 102,011	$ 128,513	$ 1,138,756	$ 1,311,644
Deferred Inflows of Resources:					
Unavailable Revenue:					
Succeeding Year Property Tax	$ 3,894,487	$ 3,962,352	$ 4,027,460	$ 4,196,734	$ 5,873,269
Other	8,221	21,566	54,564	65,296	9,074
Total Deferred Inflows of Resources	$ 3,902,708	$ 3,983,918	$ 4,082,024	$ 4,262,030	$ 5,882,343
Fund Balance:					
Nonspendable:					
Prepaid Insurance	$ 34,879	$ 38,626	$ 40,357	$ 66,987	$ 79,885
Restricted For:					
Supplemental Levy Purposes	779,934	905,653	902,949	658,442	481,517
Conservation Land Acquisition	203,591	206,912	164,760	137,824	114,940
Other Purposes	0	0	1,005,772	995,225	545,818
Assigned for Conservation	37,905	44,621	42,717	26,244	35,840
Assigned for Sheriff's Department	310,341	342,128	359,828	406,572	393,824
Assigned for Public Health	104,571	189,624	170,020	237,777	272,541
Assigned for Employee Health and Wellness	113	113	113	113	113
Assigned for Communications Infrastructure	30,981	45,106	58,051	62,106	55,106
Assigned for Infrastructure IT	13,650	3,800	10,800	31,920	56,920
Unassigned	1,169,373	1,824,862	2,603,931	2,983,263	2,743,526
Total Fund Balance	$ 2,685,338	$ 3,601,445	$ 5,359,298	$ 5,606,473	$ 4,780,030
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 6,679,338	$ 7,687,374	$ 9,569,835	$11,007,259	$11,974,017

Note: (1) Source: Audited financial statements of the County for the fiscal years ended June 30, 2019 through 2023.

The remainder of this page was left blank intentionally.

Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund*(1)*

	Audited for the Year Ended June 30				
	2019	2020	2021	2022	2023
Revenues:					
Property and Other County Tax	$ 3,869,782	$ 3,892,069	$ 3,973,729	$ 4,032,533	$ 4,262,262
Interest and Penalty on Property Tax	25,744	13,045	34,797	25,067	26,656
Intergovernmental	823,508	899,733	2,091,125	861,384	1,202,130
Licenses and Permits	9,270	11,387	8,518	10,716	14,410
Charges for Service	1,150,577	1,184,067	990,796	960,209	956,419
Use of Money and Property	208,358	194,385	133,630	114,034	245,127
Miscellaneous	168,806	163,336	191,049	187,446	164,112
Total Revenue	$ 6,256,045	$ 6,358,022	$ 7,423,644	$ 6,191,389	$ 6,871,116
Expenditures:					
Operating:					
Public Safety and Legal Services	$ 2,110,099	$ 2,229,640	$ 2,325,400	$ 2,567,327	$ 3,261,323
Physical Health and Social Services	1,233,001	1,254,853	1,333,652	1,351,399	1,422,162
County Environment and Education	275,223	295,780	331,422	348,267	853,917
Roads and Transportation	17,405	19,153	19,911	12,705	27,569
Governmental Services to Residents	562,621	624,198	600,389	680,147	791,382
Administration	1,130,936	1,296,443	1,237,103	1,355,684	1,749,084
Capital Projects	77,868	38,919	51,679	36,540	73,981
Total Expenditures	$ 5,407,153	$ 5,758,986	$ 5,899,556	$ 6,352,069	$ 8,179,418
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 848,892	$ 599,036	$ 1,524,088	$ (160,680)	$ (1,308,302)
Other Financing Sources (Uses)					
Transfers In	$ 308,124	$ 369,896	$ 437,328	$ 908,227	$ 434,549
Transfers Out	(52,825)	(52,825)	(203,563)	(500,372)	(203,334)
Installment Purchase	0	0	0	0	250,644
Total Other Financing Sources (Uses)	$ 255,299	$ 317,071	$ 233,765	$ 407,855	$ 481,859
Change in Fund Balance	$ 1,104,191	$ 916,107	$ 1,757,853	$ 247,175	$ (826,443)
Fund Balance Beginning of Year	1,581,147	2,685,338	3,601,445	5,359,298	5,606,473
Fund Balance End of Year	$ 2,685,338	$ 3,601,445	$ 5,359,298	$ 5,606,473	$ 4,780,030

Note: (1) Source: Audited financial statements of the County for the fiscal years ended June 30, 2019 through 2023.

REGISTRATION, TRANSFER AND EXCHANGE

See also **APPENDIX B – DESCRIBING BOOK-ENTRY-ONLY ISSUANCE** for information on registration, transfer and exchange of book-entry bonds. The Bonds will be initially issued as book-entry bonds.

The County shall cause books for the registration and for the transfer of the Bonds to be kept at the principal office maintained for the purpose by UMB Bank, n.a., West Des Moines, Iowa (the "Bond Registrar"). The County will authorize to be prepared, and the Bond Registrar shall keep custody of, multiple bond blanks executed by the County for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Resolution. Upon surrender for transfer or exchange of any Bond at the principal office maintained for the purpose by the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or such owner's attorney duly authorized in writing, the County shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the registered owner, transferee or transferees (as the case may be) a new fully registered Bond or Bonds of the same maturity and interest rate of authorized denominations, for a like aggregate principal amount.

The execution by the County of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less Bonds previously paid.

The Bond Registrar shall not be required to transfer or exchange any Bond following the close of business on the fifteenth day of the month next preceding an interest payment date on such bond (known as the record date), nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bonds shall be made only to or upon the order of the registered owner thereof or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the County or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a bond surrendered for redemption.

TAX EXEMPTION AND RELATED TAX MATTERS

Federal Income Tax Exemption

The opinion of Bond Counsel will state that under present laws and rulings, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers under the Code.

The opinion set forth in the preceding sentence will be subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. In the resolution authorizing the issuance of the Bonds, the Issuer will covenant to comply with all such requirements.

There may be certain other federal tax consequences to the ownership of the Bonds by certain taxpayers, including without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security and Railroad Retirement benefits, taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations, and corporations that may be subject to the alternative minimum tax. Bond Counsel will express no opinion with respect to other federal tax consequences to owners of the Bonds. Prospective purchasers of the Bonds should consult with their tax advisors as to such matters.

Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

Proposed Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. No prediction is made whether such provisions will be enacted as proposed or concerning other future legislation affecting the tax treatment of interest on the Bonds. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax exempt status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Qualified Tax-Exempt Obligations

In the resolution authorizing the issuance of the Bonds, the Issuer will designate the Bonds as "qualified tax exempt obligations" within the meaning of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes a portion of the interest expense that is allocable to tax-exempt obligations. In the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

Original Issue Premium

The Bonds maturing in the years _____________ are being issued at a premium to the principal amount payable at maturity. Except in the case of dealers, which are subject to special rules, Bondholders who acquire the Bonds at a premium must, from time to time, reduce their federal tax bases for the Bonds for purposes of determining gain or loss on the sale or payment of such Bonds. Premium generally is amortized for federal income tax purposes on the basis of a bondholder's constant yield to maturity or to certain call dates with semiannual compounding. Bondholders who acquire any Bonds at a premium might recognize taxable gain upon sale of the Bonds, even if such Bonds are sold for an amount equal to or less than their original cost. Amortized premium is not deductible for federal income tax purposes. Bondholders who acquire any Bonds at a premium should consult their tax advisors concerning the calculation of bond premium and the timing and rate of premium amortization, as well as the state and local tax consequences of owning and selling the Bonds acquired at a premium.

Original Issue Discount

The Bonds maturing in the years ________________ (collectively, the "Discount Bonds") are being sold at a discount from the principal amount payable on such Discount Bonds at maturity. The difference between the price at which a substantial amount of the Discount Bonds of a given maturity is first sold to the public (the "Issue Price") and the principal amount payable at maturity constitutes "original issue discount" under the Internal Revenue Code. The amount of original issue discount that accrues to a holder of a Discount Bond under section 1288 of the Internal Revenue Code is excluded from federal gross income to the same extent that stated interest on such Discount Bond would be so excluded. The amount of the original issue discount that accrues with respect to a Discount Bond under section 1288 is added to the owner's federal tax basis in determining gain or loss upon disposition of such Discount Bond (whether by sale, exchange, redemption or payment at maturity).

Interest in the form of original issue discount accrues under section 1288 pursuant to a constant yield method that reflects semiannual compounding on dates that are determined by reference to the maturity date of the Discount Bond. The amount of original issue discount that accrues for any particular semiannual accrual period generally is equal to the excess of (1) the product of (a) one-half of the yield on such Discount Bonds (adjusted as necessary for an initial short period) and (b) the adjusted issue price of such Discount Bonds, over (2) the amount of stated interest actually payable. For purposes of the preceding sentence, the adjusted issue price is determined by adding to the Issue Price for such Discount Bonds the original issue discount that is treated as having accrued during all prior semiannual accrual periods. If a Discount Bond is sold or otherwise disposed of between semiannual compounding dates, then the original issue discount that would have accrued for that semiannual accrual period for federal income tax purposes is allocated ratably to the days in such accrual period.

An owner of a Discount Bond who disposes of such Discount Bond prior to maturity should consult owner's tax advisor as to the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bond prior to maturity.

Owners who purchase Discount Bonds in the initial public offering but at a price different than the Issue Price should consult their own tax advisors with respect to the tax consequences of the ownership Discount Bonds.

The Internal Revenue Code contains provisions relating to the accrual of original issue discount in the case of subsequent purchasers of bonds such as the Discount Bonds. Owners who do not purchase Discount Bonds in the initial offering should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Original issue discount that accrues in each year to an owner of a Discount Bond may result in collateral federal income tax consequences to certain taxpayers. No opinion is expressed as to state and local income tax treatment of original issue discount. All owners of Discount Bonds should consult their own tax advisors with respect to the federal, state, local and foreign tax consequences associated with the purchase, ownership, redemption, sale or other disposition of Discount Bonds.

CONTINUING DISCLOSURE

For the purpose of complying with paragraph (b)(5) of the Rule, the County will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds to provide reports of specified information and notice of the occurrence of certain events, as hereinafter described (the "Disclosure Covenants"). The information to be provided on an annual basis, and the events as to which notice is to be given, is set forth in **"APPENDIX D – Form of Continuing Disclosure Certificate"**. This covenant is being made by the County to assist the Underwriter(s) in complying with the Rule.

Breach of the Disclosure Covenants will not constitute a default or an "Event of Default" under the Bonds or Resolution, respectively. A broker or dealer is to consider a known breach of the Disclosure Covenants, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the County to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Bonds and their market price.

Pursuant to the Rule, in the last five years, the County believes it has complied in all material respects with regard to its prior Disclosure Covenants.

Bond Counsel expresses no opinion as to whether the Disclosure Covenants comply with the requirements of Section (b)(5) of the Rule.

OPTIONAL REDEMPTION

The Bonds are **not** subject to optional redemption prior to maturity.

LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the County taken with respect to the issuance or sale thereof. There is no litigation now pending, or to the knowledge of the County, threatened against the County that is expected to materially impact the financial condition of the County.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds and with regard to the tax-exempt status of the interest thereon (see **"TAX EXEMPTION AND RELATED TAX MATTERS"** herein) are subject to the approving legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa, Bond Counsel, a form of which is attached hereto as **APPENDIX C**. Signed copies of the opinion, dated and premised on law in effect as of the date of original delivery of the Bonds, will be delivered to the Underwriter at the time of such original delivery. The Bonds are offered subject to prior sale and to the approval of legality of the Bonds by Bond Counsel.

The legal opinion to be delivered will express the professional judgment of Bond Counsel and by rendering a legal opinion, Bond Counsel does not become an insurer or guarantor of the result indicated by that expression of professional judgment or of the transaction or the future performance of the parties to the transaction.

OFFICIAL STATEMENT AUTHORIZATION

This Official Statement has been authorized for distribution to prospective purchasers of the Bonds. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants or by the County, and all expressions of opinion, whether or not so stated, are intended only as such.

This Official Statement is not to be construed as a contract or agreement amongst the County, the Underwriter, or the holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinions contained herein are subject to change without notice and neither the delivery of this Official Statement or the sale of the Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof. The information contained in this Official Statement is not guaranteed.

INVESTMENT RATING

The County has supplied certain information and material concerning the Bonds and the County to the rating service shown on the cover page, including certain information and materials which may not have been included in this Official Statement, as part of its application for an investment rating on the Bonds. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, such rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the Bonds. An explanation of the significance of the investment rating may be obtained from the rating agency: S&P Global Ratings, 55 Water Street, New York, New York 10041, telephone 212-438-2000.

UNDERWRITING

The Bonds were offered for sale by the County at a public, competitive sale on August 27, 2024. The best bid submitted at the sale was submitted by ________ (the "Underwriter"). The County awarded the contract for sale of the Bonds to the Underwriter at a price of $___________ (reflecting the par amount of $_______, plus a reoffering premium of $_______, and less an Underwriter's discount of $_______). The Underwriter has represented to the County that the Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in the Final Official Statement.

The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts, certain of which may be sponsored or managed by the Underwriter) at prices lower than the initial public offering prices stated on the cover page. The initial public offering prices of the Bonds may be changed, from time to time, by the Underwriter.

The Underwriter intends to engage in secondary market trading of the Bonds subject to applicable securities laws. The Underwriter is not obligated, however, to repurchase any of the Bonds at the request of the holder thereof.

MUNICIPAL ADVISOR

The County has engaged Speer Financial, Inc. as municipal advisor (the "Municipal Advisor") in connection with the issuance and sale of the Bonds. The Municipal Advisor is a Registered Municipal Advisor in accordance with the rules of the MSRB. The Municipal Advisor will not participate in the underwriting of the Bonds. The financial information included in the Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Municipal Advisor is not a firm of certified public accountants and does not serve in that capacity or provide accounting services in connection with the Bonds. The Municipal Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, nor is the Municipal Advisor obligated by the County's continuing disclosure undertaking.

MISCELLANEOUS

Brief descriptions or summaries of the County, the Bonds, the Resolution and other documents, agreements and statutes are included in this Official Statement. The summaries or references herein to the Bonds, the Resolution and other documents, agreements and statutes referred to herein, and the description of the Bonds included herein, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entireties by reference to such documents, and the description herein of the Bonds is qualified in its entirety by reference to the form thereof and the information with respect thereto included in the aforesaid documents. Copies of such documents may be obtained from the County.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact, and no representation is made that any of the estimates will be realized. This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or Owners of any of the Bonds.

The attached **APPENDICES A, B, C**, and **D** are integral parts of this Official Statement and must be read together with all of the foregoing statements.

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for any Bonds.

The County has reviewed the information contained herein which relates to it and has approved all such information for use within this Official Statement. The execution and delivery of this Official Statement has been duly authorized by the County.

/s/ **KARLA WEISS**
County Auditor
Winnebago County, Iowa

/s/ **TERRY DURBY**
Board Chairperson
Winnebago County, Iowa

APPENDIX A

WINNEBAGO COUNTY, IOWA

FISCAL YEAR 2023 AUDITED FINANCIAL STATEMENTS

WINNEBAGO COUNTY
Forest City, Iowa

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS
June 30, 2023

WINNEBAGO COUNTY
Forest City, Iowa

TABLE OF CONTENTS

TABLE OF CONTENTS (Continued)

WINNEBAGO COUNTY
Forest City, Iowa

OFFICIALS

(Before January 2023)

Name	Title	Term Expires
Terry Durby	Board of Supervisors	January 2023
Bill Jensvold	Board of Supervisors	January 2023
Susan Smith	Board of Supervisors	January 2025
Karla Weiss	County Auditor	January 2025
Julie Swenson	County Treasurer	January 2023
Kristin Colby	County Recorder	January 2023
Steve Hepperly	County Sheriff	January 2025
Kelsey Beenken	County Attorney	January 2023
Sue McColloch	County Assessor	Appointed

(After January 2023)

Name	Title	Term Expires
Terry Durby	Board of Supervisors	January 2027
Bill Jensvold	Board of Supervisors	January 2027
Susan Smith	Board of Supervisors	January 2025
Karla Weiss	County Auditor	January 2025
Julie Swenson	County Treasurer	January 2027
Shanna Eastvold	County Recorder	January 2027
Steve Hepperly	County Sheriff	January 2025
Kelsey Beenken	County Attorney	January 2027
Sue McColloch	County Assessor	Appointed

GARDINER + COMPANY
Certified Public Accountants

Independent Auditor's Report

To the Officials of Winnebago County
Forest City, 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 Winnebago County, Iowa, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Winnebago County, Iowa's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Winnebago County, Iowa as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 14 to the financial statements, Winnebago County adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Winnebago County, Iowa's 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 Winnebago County, Iowa'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 generally accepted auditing standards 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 generally accepted auditing standards 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 Winnebago 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 Winnebago County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 5 - 11 and 61 - 71 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 auditing standards generally accepted in the United States of America, 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 Winnebago County, Iowa's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2022 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information, included in Schedules 1 to 5, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2024, on our consideration of Winnebago County, Iowa'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 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 Winnebago County, Iowa's internal control over financial reporting and compliance.

Gardiner + Company, P.C.

Charles City, Iowa
February 16, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Winnebago County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2023. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2023 FINANCIAL HIGHLIGHTS

- The County implemented Governmental Accounting Standards Board Statement (GASBS) No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs), during fiscal year 2023. The implementation of this standard revised certain asset and liability accounts related to SBITAs, however had no effect on the beginning net position for governmental activities.
- The Governor signed Senate File 619 on June 16, 2021 which significantly changed mental health funding. The County was required to transfer the remaining fund balance of the Special Revenue, Mental Health Fund to the Care Connections of Northern Iowa Mental Health Region prior to June 30, 2022.
- Revenues of the County's governmental activities increased 11.47%, or approximately $1,973,400, from fiscal 2022 to fiscal 2023. Capital grants and contributions increased approximately $3,075,647 and operating grants and contributions increased $456,179 while tax increment financing decreased $1,032,970 and property tax decreased approximately $164,137.
- Program expenses were 5.75%, or approximately $796,243, more in fiscal 2023 than in fiscal 2022. Public safety and legal services expenses increased approximately $682,069 and administration expenses increased approximately $378,836.
- The County's net position increased 12.16%, or approximately $4,541,144, over the June 30, 2022 balance.

USING THIS ANNUAL REPORT

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

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

The Government–wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Winnebago 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 Winnebago 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 Winnebago 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.

USING THIS ANNUAL REPORT (CONTINUED)

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 other non–program activities. Property tax and state and federal grants finance most of these activities.

Fund Financial Statements

The County has three kinds of funds:

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

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES (CONTINUED)

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

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

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

3) Fiduciary funds are used to report assets held in a trust or custodial capacity for others which cannot be used to support the County's own programs. These fiduciary funds include Custodial Funds that account for drainage districts, 911 services and the County Assessor, to name a few.

   The required financial statements for fiduciary funds include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

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

GOVERNMENT–WIDE FINANCIAL ANALYSIS

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

Net Position of Governmental Activities
(Expressed in Thousands)

	June 30,	
	2023	2022
Current and Other Assets	$29,096	$27,284
Capital Assets	41,430	40,270
Total Assets	70,526	67,554
Deferred Outflows of Resources	683	621
Long–Term Liabilities	16,163	17,234
Other Liabilities	1,571	1,506
Total Liabilities	17,734	18,740
Deferred Inflows of Resources	11,602	12,103
Net Position:		
Net Investment in Capital Assets	28,047	23,404
Restricted	11,694	12,289
Unrestricted	2,132	1,639
Total Net Position	$41,873	$37,332

GOVERNMENT–WIDE FINANCIAL ANALYSIS (CONTINUED)

Net position of Winnebago County's governmental activities increased 12.16% (approximately $41,872,922 compared to approximately $37,331,778).

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 19.84%, or approximately $4,643,584, over the prior year.

Restricted net position represents resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position category decreased 4.85%, or approximately $595,446, from the prior year.

Unrestricted net position – the part of net position that can be used to finance day–to–day operations without constraint established by debt covenants, enabling legislation or other legal requirements – increased from approximately $1,639,245 at June 30, 2022 to a balance of $2,132,251 at the end of this year.

Changes in Net Position of Governmental Activities

(Expressed in Thousands)

	Year Ended June 30,	
	2023	2022
Revenues:		
Program Revenues:		
Charges for Service	$ 2,267	$ 2,263
Operating Grants, Contributions and Restricted Interest	3,430	2,974
Capital Grants, Contributions and Restricted Interest	3,093	17
General Revenues:		
Property Tax	6,820	6,985
Penalty and Interest on Property Tax	27	25
State Tax Credits	675	721
Local Option Sales Tax	495	522
Tax Increment Financing	2,097	3,130
Unrestricted Investment Earnings	221	111
Other General Revenues	50	454
Total Revenues	19,175	17,202
Program Expenses:		
Public Safety and Legal Services	3,237	2,555
Physical Health and Social Services	1,259	1,219
Mental Health	0	520
County Environment and Education	926	835
Roads and Transportation	5,846	5,614
Governmental Services to Residents	697	613
Administration	1,771	1,392
Non–Program	543	694
Interest on Long–Term Debt	355	396
Total Expenses	14,634	13,838

GOVERNMENT–WIDE FINANCIAL ANALYSIS (CONTINUED)

	Year Ended June 30, 2023	2022
Change in Net Position	$ 4,541	$ 3,364
Net Position Beginning of Year	37,332	33,968
Net Position End of Year	$41,873	$37,332

The results of governmental activities for the year resulted in Winnebago County's net position increasing by approximately $4,541,144. Revenues for governmental activities increased by approximately $1,973,400 over the prior year.

The cost of all governmental activities this year was $14,634,095 compared to $13,837,852 last year. However, as shown in the Statement of Activities, the amount taxpayers ultimately financed for these activities was $5,844,059 because some of the cost was paid by those directly benefited from the programs (approximately $2,267,191) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately $6,522,845). Overall, the County's governmental program revenues, including intergovernmental aid and charges for service, increased in 2023 from approximately $5,253,752 to $8,790,036. The County paid for the remaining "public benefit" portion of governmental activities with approximately $6,820,413 in taxes (some of which could only be used for certain programs) and with other revenues, such as interest and general revenues.

INDIVIDUAL MAJOR FUND ANALYSIS

As Winnebago County completed the year, its governmental funds reported a combined fund balance of $14,936,936, a decrease of $658,153 from last year's total of $15,595,089. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues and expenditures increased from the prior year. The ending fund balance showed a decrease of $826,443 from the prior year to $4,780,030.
- Rural Service Fund revenues decreased while expenditures increased during the current year. The ending fund balance showed an increase of $57,386 from the prior year to $735,353.
- Secondary Roads Fund expenditures increased by approximately $298,335 compared to the prior year. The Secondary Roads Fund ending balance increased by approximately $612,623.
- The Urban Renewal 2 and Urban Renewal 2A Funds were established to account for the collection of tax increment financing to pay principal and interest on the debt issued to complete the roadway construction and improvement projects.
- There were no significant changes in revenues, expenditures and fund balance of the Debt Service Fund.

BUDGETARY HIGHLIGHTS

Over the course of the year, Winnebago County amended its budget two times. The amendments were adopted on May 30, 2023 and June 27, 2023 and resulted in increases to budgeted expenditures in the public safety and legal services, the physical health and social services, the county environment and education, the administration, the nonprogram and the debt service functions.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, Winnebago County had approximately $72,663,918 invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads, bridges and intangible assets. This amount represents a net increase (including additions and deletions) of approximately $4,150,426 or 6.06% over last year.

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

	June 30, 2023	June 30, 2022
Land	$ 2,080	$ 2,080
Buildings and Improvements	11,305	11,253
Equipment	10,115	9,844
Intangibles	86	86
Infrastructure	47,466	45,114
Construction in Progress	1,612	136
Total	$72,664	$68,513

This Year's Major Additions Include (Expressed in Thousands):	
Conservation Nature Center Construction in Progress	$ 1,543
Infrastructure	2,352
	$ 3,895

The County had depreciation/amortization expense of $2,495,109 for the year ended June 30, 2023 and total accumulated depreciation/amortization of $31,233,833 at June 30, 2023.

The County's fiscal year 2023 capital budget included $2,499,789 for capital projects, principally for continued upgrading of secondary roads and bridges and construction of a conservation facility. More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Long–Term Debt

At June 30, 2023, Winnebago County had approximately $14,483,276 in general obligation bonds and other debt outstanding, compared to approximately $17,040,234 at June 30, 2022, as shown below:

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

	June 30, 2023	June 30, 2022
General Obligation Urban Renewal Bonds	$10,300	$12,695
General Obligation Notes	2,903	3,121
General Obligation Loans	180	282
Installment Purchases	232	0
Drainage Warrants	480	618
Compensated Absences	388	324
	$14,483	$17,040

The County continues to carry a general obligation bond rating of A+ assigned by national rating agencies to the County's debt. 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. Winnebago County's outstanding general obligation debt is below its constitutional debt limit of $56.7 million. Additional information about the County's long–term debt is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Winnebago County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2024 budget, tax rates, and the fees that will be charged for various County activities. One of these factors is the economy. The County unemployment rate is currently 3.4% (December 2023) versus 3% (December 2022), according to Iowa Works (Iowa Workforce Development). This shows an increase of unemployed people in the county by .4%. This compares with the State's unemployment rate of 3.1% and the National rate of 3.7%.

These indicators were taken into account when adopting the budget for fiscal year 2024. Amounts available for appropriation in the operating budget are $19,014,996. Most increases were minimal and only allowed for primary expenses. The levy rates were increased from 12.75444 in FY 2023 to 15.52236 in FY 2024. Expenditures will increase by $2,339,237. Law enforcement costs along with Secondary Roads are the largest increases to expenses.

We are continuing to work on the Courthouse in small areas.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Winnebago 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 Winnebago County Auditor's Office, 126 South Clark Street, Forest City, Iowa.

Exhibit A

WINNEBAGO COUNTY
Forest City, Iowa

STATEMENT OF NET POSITION
June 30, 2023

	Governmental Activities
ASSETS	
Cash, Cash Equivalents and Pooled Investments	$15,341,384
Receivables:	
Property Tax:	
Delinquent	12,250
Succeeding Year	8,839,192
Succeeding Year Tax Increment Financing	2,357,960
Accounts	132,767
Accrued Interest	36,718
Drainage Assessments	589,179
Opioid Settlement	142,340
Due From Other Governments	497,326
Notes Receivable	141,320
Inventories	910,483
Prepaid Insurance	94,780
Capital Assets Not Being Depreciated	3,692,158
Capital Assets, Net of Accumulated Depreciation/Amortization	37,737,927
TOTAL ASSETS	70,525,784
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related Deferred Outflows	683,442
LIABILITIES	
Accounts Payable	329,508
Accrued Interest Payable	50,368
Salaries and Benefits Payable	153,785
Due To Other Governments	31,738
Unearned Revenues	1,005,572
Long–Term Liabilities:	
Portion Due Or Payable Within One Year:	
General Obligation Bonds	1,960,000
General Obligation Note	222,038
General Obligation Loans	36,000
Installment Purchases	83,548
Compensated Absences	388,101

WINNEBAGO COUNTY
Forest City, Iowa

STATEMENT OF NET POSITION
June 30, 2023

	Governmental Activities
LIABILITIES (CONTINUED)	
Portion Due Or Payable After One Year:	
General Obligation Bonds	$ 8,340,000
General Obligation Note	2,680,638
General Obligation Loans	144,000
Installment Purchases	149,246
Drainage Warrants	479,705
Net Pension Liability	1,484,095
Total OPEB Liability	195,689
TOTAL LIABILITIES	17,734,031
DEFERRED INFLOWS OF RESOURCES	
Unavailable Property Tax Revenue	8,839,192
Unavailable Tax Increment Financing Revenue	2,357,960
Pension Related Deferred Inflows	393,711
OPEB Related Deferred Inflows	11,410
	11,602,273
NET POSITION	
Net Investment in Capital Assets	28,047,409
Restricted For:	
Supplemental Levy Purposes	484,947
Rural Services Purposes	737,740
Secondary Roads Purposes	3,437,787
Debt Service	271,102
Capital Projects	206,377
Opioid Abatement	181,736
Other Purposes	6,373,573
Unrestricted	2,132,251
TOTAL NET POSITION	$41,872,922

See Notes to Financial Statements

WINNEBAGO COUNTY
Forest City, Iowa

STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

		Program Revenues
	Expenses	Charges for Service
FUNCTIONS/PROGRAMS:		
Governmental Activities:		
Public Safety and Legal Services	$ 3,237,032	$ 597,566
Physical Health and Social Services	1,258,863	530,500
County Environment and Education	926,461	20,659
Roads and Transportation	5,846,559	95,608
Governmental Services to Residents	696,827	247,105
Administration	1,770,502	246,403
Non–Program	542,933	529,350
Interest on Long–Term Debt	354,918	0
TOTAL	$14,634,095	$2,267,191
GENERAL REVENUES:		
Property and Other County Tax Levied For:		
General Purposes		
Debt Service		
Penalty and Interest on Property Tax		
State Tax Credits and Replacements		
Local Option Sales Tax		
Tax Increment Financing		
Unrestricted Investment Earnings		
Miscellaneous		
Loss on Disposal of Capital Assets		
TOTAL GENERAL REVENUES		
CHANGE IN NET POSITION		
NET POSITION BEGINNING OF YEAR		
NET POSITION END OF YEAR		

See Notes to Financial Statements

Exhibit B

Program Revenues		
Operating Grants, Contributions, and Restricted Interest	Capital Grants, Contributions, and Restricted Interest	Net (Expense) Revenue and Changes in Net Position
$ 91,730	$ 0	$ (2,547,736)
365,883	0	(362,480)
23,986	1,066,444	184,628
2,872,206	2,026,047	(852,698)
216	0	(449,506)
76,333	0	(1,447,766)
0	0	(13,583)
0	0	(354,918)
$3,430,354	$3,092,491	(5,844,059)
		6,469,054
		351,359
		26,656
		675,024
		494,632
		2,096,950
		221,478
		64,029
		(13,979)
		10,385,203
		4,541,144
		37,331,778
		$41,872,922

WINNEBAGO COUNTY
Forest City, Iowa

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

		Special Revenue	
	General	Rural Services	Secondary Roads
ASSETS			
Cash, Cash Equivalents and Pooled Investments	$ 5,670,606	$ 777,524	$2,564,534
Receivables:			
Property Tax:			
Delinquent	9,074	2,556	0
Succeeding Year	5,873,269	2,190,561	0
Succeeding Year Tax Increment Financing	0	0	0
Accounts	88,960	20	14,436
Accrued Interest	36,695	0	0
Drainage Assessments	0	0	0
Opioid Settlement	0	0	0
Due From Other Governments	215,528	0	240,378
Notes Receivable	0	0	0
Inventories	0	0	910,483
Prepaid Insurance	79,885	169	14,365
TOTAL ASSETS	$11,974,017	$2,970,830	$3,744,196
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 186,787	$ 27,670	$ 62,108
Accrued Interest Payable	0	0	0
Salaries and Benefits Payable	92,258	14,690	46,481
Due To Other Governments	27,027	0	4,711
Unearned Revenue	1,005,572	0	0
Total Liabilities	1,311,644	42,360	113,300

Exhibit C

Special Revenue				
Urban Renewal 2	Urban Renewal 2A	Debt Service	Nonmajor	Total
$1,455,366	$3,204,919	$270,482	$ 862,250	$14,805,681
0	0	620	0	12,250
0	0	320,366	454,996	8,839,192
1,259,806	1,098,154	0	0	2,357,960
0	0	0	29,351	132,767
0	0	0	23	36,718
0	0	0	589,179	589,179
0	0	0	142,340	142,340
0	0	0	41,420	497,326
0	0	0	141,320	141,320
0	0	0	0	910,483
0	0	0	361	94,780
$2,715,172	$4,303,073	$591,468	$2,261,240	$28,559,996
$ 1,750	$ 0	$ 0	$ 46,312	$ 324,627
0	0	0	25,097	25,097
0	0	0	356	153,785
0	0	0	0	31,738
0	0	0	0	1,005,572
1,750	0	0	71,765	1,540,819

WINNEBAGO COUNTY
Forest City, Iowa

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

		Special Revenue	
	General	Rural Services	Secondary Roads
Deferred Inflows of Resources:			
Unavailable Revenues:			
Succeeding Year Property Tax	$ 5,873,269	$2,190,561	$ 0
Succeeding Year Tax Increment Financing	0	0	0
Other	9,074	2,556	0
Total Deferred Inflows of Resources	5,882,343	2,193,117	0
Fund Balances:			
Nonspendable:			
Inventories	0	0	910,483
Notes Receivable	0	0	0
Prepaid Insurance	79,885	169	14,365
Restricted For:			
Supplemental Levy Purposes	481,517	0	0
Rural Services Purposes	0	735,184	0
Secondary Roads Purposes	0	0	2,706,048
Drainage Warrants	0	0	0
Conservation Land Acquisition	114,940	0	0
Debt Service	0	0	0
Capital Projects	0	0	0
Opioid Abatement	0	0	0
Other Purposes	545,818	0	0
Assigned for Conservation	35,840	0	0
Assigned for Sheriff's Department	393,824	0	0
Assigned for Public Health	272,541	0	0
Assigned for Employee Health and Wellness	113	0	0
Assigned for Communications Infrastructure	55,106	0	0
Assigned for Infrastructure IT	56,920	0	0
Unassigned	2,743,526	0	0
Total Fund Balances	4,780,030	735,353	3,630,896
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$11,974,017	$2,970,830	$3,744,196

See Notes to Financial Statements

Special Revenue				
Urban Renewal 2	Urban Renewal 2A	Debt Service	Nonmajor	Total
$ 0	$ 0	$320,366	$ 454,996	$ 8,839,192
1,259,806	1,098,154	0	0	2,357,960
0	0	620	872,839	885,089
1,259,806	1,098,154	320,986	1,327,835	12,082,241
0	0	0	0	910,483
0	0	0	141,320	141,320
0	0	0	361	94,780
0	0	0	0	481,517
0	0	0	0	735,184
0	0	0	0	2,706,048
0	0	0	165,176	165,176
0	0	0	0	114,940
0	0	270,482	0	270,482
0	0	0	206,377	206,377
0	0	0	39,396	39,396
1,453,616	3,204,919	0	402,210	5,606,563
0	0	0	0	35,840
0	0	0	0	393,824
0	0	0	0	272,541
0	0	0	0	113
0	0	0	0	55,106
0	0	0	0	56,920
0	0	0	(93,200)	2,650,326
1,453,616	3,204,919	270,482	861,640	14,936,936
$2,715,172	$4,303,073	$591,468	$2,261,240	$28,559,996

Exhibit D

WINNEBAGO COUNTY
Forest City, Iowa

RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2023

Total Governmental Fund Balances (Page 19)		$ 14,936,936
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 the capital assets is $72,663,918 and the accumulated depreciation/amortization is $31,233,833.		41,430,085
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.		885,089
The Internal Service Fund is used by management to charge the costs of funding the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.		530,822
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred Outflows of Resources	$ 683,442	
Deferred Inflows of Resources	(405,121)	278,321
Long–term liabilities, including bonds payable, notes payable, loans payable, installment purchases payable, compensated absences payable, drainage warrants, 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.		(16,188,331)
Net Position of Governmental Activities (Page 13)		$ 41,872,922

See Notes to Financial Statements

WINNEBAGO COUNTY
Forest City, Iowa

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2023

		Special Revenue		
	General	Rural Services	Secondary Roads	Urban Renewal 2
REVENUES:				
Property and Other County Tax	$ 4,262,262	$2,206,240	$ 0	$ 0
Tax Increment Financing	0	0	0	1,119,091
Local Option Sales Tax	0	0	0	0
Interest and Penalty on Property Tax	26,656	0	0	0
Intergovernmental	1,202,130	176,454	2,872,206	3,412
Licenses and Permits	14,410	50	39,070	0
Charges For Service	956,419	0	11,701	0
Use of Money and Property	245,127	0	6,500	0
Miscellaneous	164,112	0	78,253	0
Total Revenues	6,871,116	2,382,744	3,007,730	1,122,503
EXPENDITURES:				
Operating:				
Public Safety and Legal Services	3,261,323	133,760	0	0
Physical Health and Social Services	1,422,162	1,522	0	0
County Environment and Education	853,917	273,895	0	0
Roads and Transportation	27,569	728,784	3,762,486	0
Governmental Services to Residents	791,382	1,108	0	0
Administration	1,749,084	0	0	0
Non–Program	0	9,435	0	0
Debt Service	0	0	0	2,250,038
Capital Projects	73,981	14,595	304,039	0
Total Expenditures	8,179,418	1,163,099	4,066,525	2,250,038
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,308,302)	1,219,645	(1,058,795)	(1,127,535)

Exhibit E

Special Revenue			
Urban Renewal 2A	Debt Service	Nonmajor	Total
$ 0	$351,324	$ 44,846	$ 6,864,672
977,859	0	0	2,096,950
0	0	494,632	494,632
0	0	0	26,656
30,627	33,978	334,242	4,653,049
0	0	0	53,530
0	0	108,311	1,076,431
0	0	59,051	310,678
0	0	1,444,792	1,687,157
1,008,486	385,302	2,485,874	17,263,755
0	0	600	3,395,683
0	0	0	1,423,684
0	0	308,476	1,436,288
0	0	0	4,518,839
0	0	0	792,490
0	0	0	1,749,084
0	0	900,080	909,515
456,000	369,025	0	3,075,063
0	0	1,090,682	1,483,297
456,000	369,025	2,299,838	18,783,943
552,486	16,277	186,036	(1,520,188)

WINNEBAGO COUNTY
Forest City, Iowa

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2023

		Special Revenue	
	General	Rural Services	Secondary Roads
Other Financing Sources (Uses):			
Transfers In	$ 434,549	$ 173,322	$1,409,367
Transfers Out	(203,334)	(1,335,581)	0
Installment Purchase	250,644	0	0
Drainage Warrants Issued	0	0	0
Total Other Financing Sources (Uses)	481,859	(1,162,259)	1,409,367
Change in Fund Balances	(826,443)	57,386	350,572
Fund Balances Beginning of Year	5,606,473	677,967	3,018,273
Increase in Reserve For Inventories	0	0	262,051
Fund Balances End of Year	$4,780,030	$ 735,353	$3,630,896

See Notes to Financial Statements

Special Revenue				
Urban Renewal 2	Urban Renewal 2A	Debt Service	Nonmajor	Total
$ 0	$ 0	$ 0	$ 129,548	$ 2,146,786
0	0	0	(607,871)	(2,146,786)
0	0	0	0	250,644
0	0	0	349,340	349,340
0	0	0	(128,983)	599,984
(1,127,535)	552,486	16,277	57,053	(920,204)
2,581,151	2,652,433	254,205	804,587	15,595,089
0	0	0	0	262,051
$ 1,453,616	$3,204,919	$270,482	$ 861,640	$14,936,936

Exhibit F

WINNEBAGO COUNTY
Forest City, Iowa

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

Change in Fund Balance –Total Governmental Funds (Page 24)		$ (920,204)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation/amortization expense to allocate those expenditures over the life of the assets. Capital outlay expenditures and contributed capital assets exceed depreciation/amortization expense in the current year, as follows:		
Expenditures for Capital Assets	$ 2,411,122	
Capital Assets Contributed by the Iowa Department of Transportation	2,026,047	
Depreciation/Amortization Expense	(2,495,109)	1,942,060
In the Statement of Activities, the loss on the disposition of capital assets is reported whereas the governmental funds report the proceeds from the disposition as an increase in financial resources.		(13,979)
Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are recognized as deferred inflows of resources in the governmental funds, as follows:		
Property Tax	587	
Other	(243,204)	(242,617)
Proceeds from issuing long–term liabilities provide current financial resources to governmental funds, but issuing debt increases long–term liabilities in the Statement of Net Position. Repayment of long–term liabilities is an expenditure in the governmental funds, but the repayment reduces long–term liabilities in the Statement of Net Position. Current year repayments exceeded issuances as follows:		
Issued	(599,984)	
Repaid	3,221,346	2,621,362
The current year County IPERS contributions are reported as expenditures in the governmental funds but are reported as a deferred outflow of resources in the Statement of Net Position.		510,646

WINNEBAGO COUNTY
Forest City, Iowa

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

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 governmental funds as follows:		
Compensated Absences	$(65,707)	
Pension	156,942	
OPEB	32,482	
Interest on Long–Term Debt	4,642	$ 128,359
Inventories in the governmental funds have been recorded as expenditures when paid. However, the Statement of Activities will report these items as expenditures in the period that the corresponding net position is exhausted.		262,051
The Internal Service Fund is used by management to charge the costs of employee health benefits to individual funds. The change in net position of the Internal Service Fund is reported with governmental activities.		253,466
Change in Net Position of Governmental Activities (Page 15)		$4,541,144

See Notes to Financial Statements

Exhibit G

WINNEBAGO COUNTY
Forest City, Iowa

STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2023

	Internal Service Employee Group Health
ASSETS	
Cash, Cash Equivalents and Pooled Investments	$535,703
LIABILITIES	
Accounts Payable	4,881
NET POSITION	
Unrestricted	$530,822

See Notes to Financial Statements

Exhibit H

WINNEBAGO COUNTY
Forest City, Iowa

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUND

Year Ended June 30, 2023

	Internal Service Employee Group Health
OPERATING REVENUES:	
Reimbursements From Operating Funds	$1,424,059
Reimbursements From Employees	253,909
Other Reimbursements	67,761
Total Operating Revenues	1,745,729
OPERATING EXPENSES:	
Medical Claims	194,030
Insurance Premiums	1,266,763
Administrative Fees	30,620
Miscellaneous	850
Total Operating Expenses	1,492,263
Net Income	253,466
Net Position Beginning of Year	277,356
Net Position End of Year	$ 530,822

See Notes to Financial Statements

Exhibit I

WINNEBAGO COUNTY
Forest City, Iowa

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2023

	Internal Service Employee Group Health
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received From Operating Fund Reimbursements	$ 1,424,059
Cash Received From Employees and Others	321,670
Cash Paid to Suppliers for Services	(1,487,382)
Net Cash Provided by Operating Activities	258,347
Cash, Cash Equivalents and Pooled Investments Beginning of Year	277,356
Cash, Cash Equivalents and Pooled Investments End of Year	$ 535,703
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income	$ 253,466
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Increase in Accounts Payable	4,881
Net Cash Provided by Operating Activities	$ 258,347

See Notes to Financial Statements

Exhibit J

WINNEBAGO COUNTY
Forest City, Iowa

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
June 30, 2023

ASSETS	
Cash, Cash Equivalents and Pooled Investments:	
County Treasurer	$ 1,713,287
Other County Officials	4,334
Receivables:	
Property Tax:	
Delinquent	26,361
Succeeding Year	12,957,327
Accrued Interest	45,688
Assessments	367,058
Prepaid Insurance	988
TOTAL ASSETS	15,115,043
LIABILITIES	
Accounts Payable	3,918
Due To Other Governments	426,060
Due to Individuals and Private Entities	17,962
Compensated Absences	4,882
TOTAL LIABILITIES	452,822
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenues	13,343,543
NET POSITION	
Restricted for Individuals, Organizations and Other Governments	$ 1,318,678

See Notes to Financial Statements

WINNEGABO COUNTY
Forest City, Iowa

STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
Year Ended June 30, 2023

ADDITIONS:	
Property and Other County Tax	$12,137,870
911 Surcharge	173,018
State Tax Credits	1,079,563
Office Fees and Collections	408,273
Auto Licenses, Use Tax and Postage	4,393,366
Assessments	86,750
Trusts	208,833
Miscellaneous	8,540
Total Additions	18,496,213
DEDUCTIONS:	
Agency Remittances:	
To Other Funds	278,474
To Other Governments	17,874,875
To Individuals and Private Entities	196,033
Total Deductions	18,349,382
CHANGES IN NET POSITION	146,831
NET POSITION BEGINNING OF YEAR	1,171,847
NET POSITION END OF YEAR	$ 1,318,678

See Notes to Financial Statements

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Winnebago 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, Winnebago County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County.

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

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

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

***Note 1: Summary of Significant Accounting Policies* (Continued)**

A. REPORTING ENTITY (CONTINUED)

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 Winnebago County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Winnebago County Assessor's Conference Board and Winnebago 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.

B. BASIS OF PRESENTATION

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

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

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

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

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

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

***Note 1: Summary of Significant Accounting Policies* (Continued)**

B. BASIS OF PRESENTATION (CONTINUED)

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

The Urban Renewal 2 and the Urban Renewal 2A Funds are used to account for the collection of tax increment financing revenues and principal and interest payments on the debt issued for roadway construction.

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

Additionally, the County reports the followings funds:

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

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

***Note 1: Summary of Significant Accounting Policies** (Continued)*

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

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

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

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

<u>Note 1: Summary of Significant Accounting Policies</u> (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE/NET POSITION

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

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

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

<u>Property Tax Receivable</u> – Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax and tax increment financing receivables represent taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax and tax increment financing receivables have been recorded, the related revenue is reported as deferred inflows of resources in both the government–wide and fund financial statements and will not be recognized as revenue until the year for which they are levied.

Property tax revenue recognized in these funds 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, 2021 assessed property valuations; is for the tax accrual period July 1, 2022 through June 30, 2023 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2022.

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

Note 1: Summary of Significant Accounting Policies ***(Continued)***

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE/NET POSITION (CONTINUED)

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.

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

Due from and Due to Other Funds – During the course of its operations, the County has numerous transactions between funds. To the extent certain transactions between funds has not been paid or received as of June 30, 2023, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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 in the Special Revenue Funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. Reported inventories are equally offset by a fund balance reserve which indicates that they are not available to liquidate current obligations.

Capital Assets – Capital assets, which include property, equipment and vehicles, intangibles and infrastructure assets acquired after July 1, 2003 (e.g., roads, bridges, curbs, gutters, sidewalks and similar items which are immovable and of value only to the government), are reported in the governmental activities column in the government–wide Statement of Net Position. Capital assets are recorded at historical cost (except for intangible right to use lease assets, the measurement of which is discussed under "Leases" below) if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

***Note 1: Summary of Significant Accounting Policies* (Continued)**

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE/NET POSITION (CONTINUED)

Capital Assets (Continued)

Asset Class	Amount
Infrastructure	$100,000
Land, Buildings and Improvements	50,000
Intangibles	25,000
Right-to-Use Leased Assets	50,000
Right-to-Use Subscription Assets	50,000
Equipment and Vehicles	10,000

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

Asset Class	Estimated Useful Lives (In Years)
Infrastructure	10-65
Buildings and Improvements	20-50
Intangibles	5-20
Right-to-Use Leased Assets	2-20
Right-to-Use Subscription Assets	2-20
Equipment and Vehicles	2-20

Leases – **County as Lessee**: Winnebago County is not a lessee for any noncancelable leases during the fiscal year ended June 30, 2023. The County recognizes lease liabilities with an initial, individual value of $50,000 or more.

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

Winnebago 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 use its estimated incremental borrowing rate as the discount rate for leases.

Note 1: Summary of Significant Accounting Policies ***(Continued)***

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE/NET POSITION (CONTINUED)

Leases – **County as Lessee (Continued)**

The lease term includes the noncancelable 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 a Lessor:

Winnebago County is not a lessor for any noncancelable leases during the fiscal year ended June 30, 2023.

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 Winnebago County determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts.

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

The lease term includes the noncancelable 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.

Subscription-Based Information Technology Arrangements (SBITA) – Winnebago County has not entered into any contracts that conveys control of the right-to-use information technology software at June 30, 2023. Winnebago County recognizes IT subscription liabilities with an initial, individual value of $50,000, or more.

***Note 1: Summary of Significant Accounting Policies* (Continued)**

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE/NET POSITION (CONTINUED)

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

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

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

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

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

Right-to-use IT subscription assets are reported with other capital assets and IT subscription liabilities are reported with long-term debt on the Statement of Net Position.

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

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

***Note 1: Summary of Significant Accounting Policies** (Continued)*

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE/NET POSITION (CONTINUED)

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

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government–wide and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2023. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services and Secondary Roads Funds.

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

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

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

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

***Note 1: Summary of Significant Accounting Policies* (Continued)**

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE/NET POSITION (CONTINUED)

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

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

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

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

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

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

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

Unassigned – All amounts not included in the preceding classifications.

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

Note 1: Summary of Significant Accounting Policies ***(Continued)***

E. BUDGETS AND BUDGETARY ACCOUNTING

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2023, disbursements did not exceed the amounts budgeted, however disbursements in certain departments exceeded the amounts appropriated.

Note 2: Cash, Cash Equivalents and Pooled Investments

The County's deposits in banks at June 30, 2023 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

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

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

Note 3: Interfund Transfers

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

Transfer To	Transfer From	Amount
General	Special Revenue:	
	Local Option Sales Tax	$369,965
	Solid Waste Management	64,454
	Sheriff's Reserve	130
		434,549

Note 3: Interfund Transfers *(Continued)*

Transfer To	Transfer From	Amount
Special Revenue:	Special Revenue:	
Rural Services	Local Option Sales Tax	$ 123,322
Rural Services	Solid Waste Management	50,000
Secondary Roads	Rural Services	1,300,581
Fair Association	Rural Services	35,000
Secondary Roads	General	108,786
WinnWorth BETCO	General	94,548
Total		$2,146,786

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

Note 4: Capital Assets

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental Activities:				
Capital Assets Not Being Depreciated/Amortized:				
Land	$ 2,080,137	$ 0	$ 0	$ 2,080,137
Construction in Progress	136,121	1,680,084	204,184	1,612,021
Total Capital Assets Not Being Depreciated/Amortized	2,216,258	1,680,084	204,184	3,692,158
Capital Assets Being Depreciated/Amortized:				
Buildings	8,238,377	0	0	8,238,377
Improvements Other Than Buildings	3,014,383	52,102	0	3,066,485
Machinery and Equipment	6,918,483	379,711	118,518	7,179,676
Vehicles	2,926,662	177,590	169,347	2,934,905
Intangibles	86,171	0	0	86,171
Infrastructure, Road Network	45,113,158	2,352,988	0	47,466,146
Total Capital Assets Being Depreciated/Amortized	66,297,234	2,962,391	287,865	68,971,760

***Note 4: Capital Assets* (Continued)**

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Less Accumulated Depreciation/Amortization For:				
Buildings	$ 2,275,453	$ 199,063	$ 0	$ 2,474,516
Improvements Other Than Buildings	633,695	104,891	0	738,586
Machinery and Equipment	5,200,476	337,548	117,396	5,420,628
Vehicles	1,812,538	203,026	155,368	1,860,196
Intangibles	73,059	8,740	0	81,799
Infrastructure, Road Network	19,016,267	1,641,841	0	20,658,108
Total Accumulated Depreciation/Amortization	29,011,488	2,495,109	272,764	31,233,833
Total Capital Assets Being Depreciated/Amortized, Net	37,285,746	467,282	15,101	37,737,927
Governmental Activities Capital Assets, Net	$39,502,004	$2,147,366	$219,285	$41,430,085

Depreciation/amortization expense was charged to the following functions:

Governmental Activities:	
Public Safety and Legal Services	$ 189,175
Physical Health and Social Services	4,357
County Environment and Education	21,540
Roads and Transportation	2,102,835
Governmental Services to Residents	1,570
Administration	175,632
Total Depreciation/Amortization Expense Governmental Activities	$2,495,109

Note 5: Due to Other Governments

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

Fund	Description	Amount
General	Services	$27,027
Special Revenue:		
Secondary Roads	Services	4,711
Total for Governmental Funds		$31,738

Note 5: Due to Other Governments (Continued)

Fund	Description	Amount
Custodial:		
County Offices	Collections	$ 595
Agricultural Extension Education		1,497
Schools		52,244
Community Colleges		5,509
Corporations		23,605
Townships		1,423
City Special Assessments		2,004
Auto License and Use Tax		337,614
All Other		1,569
Total for Custodial Funds		$426,060

Note 6: Long–Term Liabilities

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

	General Obligation Bonds	General Obligation Note	General Obligation Loans	Installment Purchases	Compensated Absences	Drainage Warrants	Net Pension Liability (Asset)	Total OPEB Liability	Total
Balance Beginning of Year	$12,695,000	$3,121,438	$ 281,741	$ 0	$ 323,697	$ 618,358	$ (768,144)	$193,641	$16,465,731
Increases	0	0	0	250,644	388,101	349,340	2,252,239	25,468	3,265,792
Decreases	(2,395,000)	(218,762)	(101,741)	(17,850)	(323,697)	(487,993)	0	(23,420)	(3,568,463)
Balance End of Year	$10,300,000	$2,902,676	$ 180,000	$232,794	$ 388,101	$479,705	$1,484,095	$195,689	$16,163,060
Due Within One Year	$ 1,960,000	$ 222,038	$ 36,000	$ 83,548	$ 388,101	$ 0	$ 0	$ 0	$ 2,689,687

General Obligation Bonds

During the fiscal year ended June 30, 2021, the County issued $3,365,000 in General Obligation Refunding Bonds, Series 2020A to refund the balance of the General Obligation Urban Renewal County Road Improvement and Refunding Bonds, Series 2012A with an interest rate of 2.00% per annum. During the fiscal year ended June 30, 2023, the County made a principal payment of $405,000 and interest payments of $51,000 on the bonds.

***Note 6: Long–Term Liabilities* (Continued)**

General Obligation Bonds (Continued)

A summary of the County's general obligation bonded indebtedness is as follows:

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2024	2.00%	$ 415,000	$ 42,900	$ 457,900
2025	2.00%	420,000	34,600	454,600
2026	2.00%	425,000	26,200	451,200
2027	2.00%	435,000	17,700	452,700
2028	2.00%	450,000	9,000	459,000
	Total	$2,145,000	$130,400	$2,275,400

During the fiscal year ended June 30, 2015, the County issued $10,000,000 in General Obligation Refunding Bonds, Series 2015A. The proceeds were used to crossover refund $10,000,000 in General Obligation Urban Renewal County Road Improvement Bonds, Series 2010A, representing 2024-2028 maturities. These maturities were called for redemption on June 1, 2018. During the fiscal year ended June 30, 2023, the County made principal payments of $1,490,000 and paid $246,688 of interest on the bonds.

A summary of the County's general obligation bonded indebtedness is as follows:

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2024	2.25%	$1,545,000	$215,398	$1,760,398
2025	2.40%	1,590,000	180,636	1,770,636
2026	2.50%	1,625,000	142,476	1,767,476
2027	3.00%	1,670,000	101,850	1,771,850
2028	3.00%	1,725,000	51,750	1,776,750
		$8,155,000	$692,110	$8,847,110

During the fiscal year ended June 30, 2016, the County issued $5,425,000 in General Obligation Refunding Bonds, Series 2016A. The proceeds were used to crossover refund $5,205,000 in General Obligation Urban Renewal County Road Improvement Bonds, Series 2010A, representing 2019-2023 maturities. These maturities were called for redemption on June 1, 2018. During the fiscal year ended June 30, 2023, the County made principal payments of $500,000 and paid $10,000 of interest on the bonds, paying the obligation in full.

Note 6: Long–Term Liabilities ***(Continued)***

General Obligation Note

During the fiscal year ended June 30, 2021, the County issued a $3,340,000 General Obligation Refunding Note, Series 2021 to refund the balance of the General Obligation Public Safety Center Bonds, Series 2016B, representing the 2022-2035 maturities. During the fiscal year ended June 30, 2023, the County made principal payments of $218,762 and paid $47,497 of interest on the notes.

A summary of the debt outstanding is as follows:

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2024	1.547%	$ 222,038	$ 44,218	$ 266,256
2025	1.547%	225,604	40,652	266,256
2026	1.547%	229,108	37,148	266,256
2027	1.547%	232,666	33,590	266,256
2028	1.547%	236,199	30,057	266,256
2029-2033	1.547%	1,237,544	93,737	1,331,281
2034-2035	1.547%	519,517	10,156	529,673
		$2,902,676	$289,558	$3,192,234

General Obligation Loans

During the fiscal year ended June 30, 2018, the County entered into a $360,000 rural economic development loan to provide funds for the construction of the Public Safety Center. Interest rate on this obligation is 0.00%. Principal is due annually commencing on October 10, 2018 to October 10, 2027. During the fiscal year ended June 30, 2023, the County made principal payments of $36,000.

A summary of the debt outstanding is as follows:

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2024	0.00%	$ 36,000	$0	$ 36,000
2025	0.00%	36,000	0	36,000
2026	0.00%	36,000	0	36,000
2027	0.00%	36,000	0	36,000
2028	0.00%	36,000	0	36,000
	Total	$180,000	$0	$180,000

Notes to Financial Statements (Continued)

***Note 6: Long–Term Liabilities* (Continued)**

General Obligation Loans (Continued)

During the fiscal year ended June 30, 2018, the County entered into a loan agreement to provide funds for the Courthouse Project. The interest rate on this obligation is 2.215%. Principal and interest payments are due semi-annually on April 30th and October 30th commencing on October 30, 2018 to October 30, 2022. During the fiscal year ended June 30, 2023, the County made principal payments of $65,741 and interest payments of $1,097, paying the obligation in full.

Installment Purchases

On April 18, 2023, the County entered into an installment purchase contract for the purchase of election equipment to be paid over three installments. The first installment was due on delivery of the equipment with the final two installments due in each of the two subsequent years with interest free financing.

A summary of the debt outstanding is as follows:

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2024	0.00%	$17,850	$0	$17,850
2025	0.00%	17,849	0	17,849
		$35,699	$0	$35,699

On April 18, 2023, the County entered into an installment purchase contract for the purchase of law enforcement equipment to be paid over three installments, commencing during the fiscal year ended June 30, 2024 with the final two installments due in each of the two subsequent fiscal years with interest free financing.

A summary of the debt outstanding is as follows:

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2024	0.00%	$ 65,698	$0	$ 65,698
2025	0.00%	65,698	0	65,698
2026	0.00%	65,699	0	65,699
		$197,095	$0	$197,095

Drainage Warrants

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

Drainage warrants are paid from the Special Revenue Fund solely from drainage assessments against benefitted properties.

Note 7: Pension Plan

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

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

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

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

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

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

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

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

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

***Note 7: Pension Plan* (Continued)**

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

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

In fiscal year 2023, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the County contributed 9.44% of covered payroll, for a total rate of 15.73%. The Sheriff, deputies and the County each contributed 8.76% of covered payroll, for a total rate of 17.52%. Protection occupation members contributed 6.21% of covered payroll and the County contributed 9.31% of covered payroll, for a total rate of 15.52%.

The County's contributions to IPERS for the year ended June 30, 2023 were $510,646.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the County reported a net pension liability of $1,484,095 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2022, the County's proportion was 0.0392810%, which was a decrease of 0.183223% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension income of $156,942. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

***Note 7: Pension Plan** (Continued)*

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$158,308	$ 26,404
Changes of assumptions	1,561	65,649
Net difference between projected and actual earnings on IPERS' investments	0	238,171
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	12,927	63,487
County contributions subsequent to the measurement date	510,646	0
Total	$683,442	$393,711

$510,646 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2024	$(257,216)
2025	(179,854)
2026	(319,205)
2027	535,065
2028	295
Total	$(220,915)

There were no non–employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Rate of Inflation (effective June 30, 2017)	2.60% per Annum.
Rates of Salary Increase (effective June 30, 2017)	3.25% to 16.25% Average, Including Inflation. Rates Vary by Membership Group.
Long-Term Investment Rate of Return (effective June 30, 2017)	7.00% Compounded Annually, Net of Investment Expense, Including Inflation.
Wage Growth (effective June 30, 2017)	3.25% per Annum, Based on 2.60% Inflation and 0.65% Real Wage Inflation.

***Note 7: Pension Plan* (Continued)**

Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2022 valuation were based on the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.

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

Asset Class	Asset Allocation	Long–Term Expected Real Rate of Return
Domestic Equity	22.00%	3.57%
International Equity	17.50	4.79
Global Smart Beta Equity	6.00	4.16
Core Plus Fixed Income	20.00	1.66
Public Credit	4.00	3.77
Cash	1.00	0.77
Private Equity	13.00	7.57
Private Real Assets	8.50	3.55
Private Credit	8.00	3.63
Total	100.00%	

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 of 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.

***Note 7: Pension Plan* (Continued)**

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 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):	$3,550,561	$1,484,095	$(334,466)

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

Payables to IPERS – All legally required County contributions and legally required employee contributions which had been withheld from employee wages were remitted by the County to IPERS by June 30, 2023.

Note 8: Other Postemployment Benefits (OPEB)

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

OPEB Benefits – Individuals who are employed by Winnebago 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 subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	1
Active Employees	80
Total	81

Total OPEB Liability – The County's total OPEB liability of $195,689 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2021.

***Note 8: Other Postemployment Benefits (OPEB)* (Continued)**

Actuarial Assumptions – The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of Inflation (Effective July 1, 2021)	2.75% per Annum.
Rates of Salary Increase (Effective July 1, 2021)	0.00% per Annum.
Discount Rate (Effective July 1, 2022)	4.55% Compounded Annually, Including Inflation.
Healthcare Cost Trend Rate (Effective July 1, 2021)	6.00% Initial Rate.

Discount Rate – The discount rate used to measure the total OPEB liability was 4.55% which reflects the index 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 RP2014 Annuity Mortality Table. Annual retirement probabilities are based on varying rates by age and turnover probabilities that mirror those used by IPERS.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB Liability Beginning of Year	$193,641
Changes for the Year:	
Service Cost	16,159
Interest	9,309
Differences Between Expected and Actual Experiences	(12,580)
Benefit Payments	(10,840)
Net Changes	2,048
Total OPEB Liability End of Year	$195,689

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 (3.55%) or 1% higher (5.55%) than the current discount rate.

	1% Decrease (3.55%)	Discount Rate (4.55%)	1% Increase (5.55%)
Total OPEB Liability	$216,827	$195,689	$176,937

***Note 8: Other Postemployment Benefits (OPEB)* (Continued)**

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 (5.00%) or 1% higher (7.00%) than the current healthcare cost trend rates.

	1% Decrease (5.00%)	Healthcare Cost Trend Rate (6.00%)	1% Increase (7.00%)
Total OPEB Liability	$167,773	$195,689	$229,497

OPEB Income and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2023, the County recognized OPEB income of $32,482. At June 30, 2023, the County reported deferred inflows of resources related to OPEB from the following resources:

	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$(11,410)

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

Year Ending June 30,	Amount
2024	$ (1,171)
2025	(1,171)
2026	(1,171)
2027	(1,171)
2028	(1,171)
Thereafter	(5,555)
	$(11,410)

Note 9: Risk Management

Winnebago 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.

***Note 9: Risk Management** (Continued)*

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

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

The County's property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The County's contributions to the Pool for the year ended June 30, 2023 were $155,893.

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

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

The County does not report a liability for losses in excess of reinsurance or excess risk–sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2023, no liability has been recorded in the County's financial statements. As of June 30, 2023, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

Note 9: Risk Management ***(Continued)***

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 $50,000, 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.

Note 10: Employee Health Insurance

The Internal Service, Employee Group Health Fund was established to account for the partial self-funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Midwest Group Benefits.

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative service agreement, monthly payments of service fees and claims processed are paid to Midwest Group Benefits from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2023 was $1,424,059.

Amounts payable from the Employee Group Health Fund at June 30, 2023 total $4,881, which is for incurred but not reported claims. The amount of claims incurred but not reported is based on the amounts necessary to pay prior-year and current-year claims and to establish a reserve for catastrophic losses. That reserve was $530,822 at June 30, 2023 and is reported as a designation of the Internal Service, Employee Group Health Fund total net position. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid claims beginning of year	$ 0
Incurred claims (including claims incurred but not reported as June 30, 2023)	198,911
Payments on claims during the fiscal year	194,030
Unpaid claims end of year	$ 4,881

Note 11: Tax Abatements

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

County Tax Abatements

The County provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Chapters 15A and 403 of the Code of Iowa. For these types of projects, the County enters into agreements with developers which require the County, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount. No other commitments were made by the County as part of these agreements.

For the year ended June 30, 2023, the County did not abate property tax under urban renewal and economic development projects.

Tax Abatements of Other Entities

Other entities within the County also provided tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa.

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2023 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Forest City	Urban renewal and economic development projects	$21,988
City of Lake Mills	Urban renewal and economic development projects	11,721

Note 12: Commitments

The County has entered into an agreement for the use of licensed products and services. As of June 30, 2023, payments totaling $74,535 have been made from the General Fund on the agreement. The balance of $14,907 will be paid from the General Fund in annual installments over the remaining life of the agreement.

The County has begun construction of a new nature center. As of June 30, 2023, costs of $1,576,021 have been incurred on the project. The County has also started planning and construction for an addition to the public health building. As of June 30, 2023, costs of $36,000 have been incurred on the project.

Note 13: Related Party Transactions

The County had business transactions between the County and County officials during the fiscal year ended June 30, 2023.

Note 14: Accounting Change

Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA),* was implemented during the fiscal year ended June 30, 2023. The new requirements require the reporting of certain right-to-use subscription-based IT arrangements and liabilities which were not previously reported. The results of these changes had no effect on the beginning net position. No arrangements met the reporting requirements resulting in no restatement to be presented in the financial statements.

Note 15: Subsequent Event

Management evaluated subsequent events through February 16, 2024, the date the financial statements were available to be issued.

WINNEBAGO COUNTY
Forest City, 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, 2023

	Actual	Less Funds Not Required to Be Budgeted	Net	Budgeted Amounts Original	Budgeted Amounts Final	Final to Net Variance
RECEIPTS:						
Property and Other County Tax	$ 9,454,909	$ 0	$ 9,454,909	$ 9,865,176	$ 9,865,176	$ (410,267)
Interest and Penalty on Property Tax	26,656	0	26,656	8,020	8,020	18,636
Intergovernmental	4,605,453	0	4,605,453	3,750,089	3,750,089	855,364
Licenses and Permits	50,397	0	50,397	18,100	18,100	32,297
Charges for Service	1,086,995	0	1,086,995	1,206,435	1,206,435	(119,440)
Use of Money and Property	296,249	0	296,249	301,407	321,807	(25,558)
Miscellaneous	1,685,004	536,275	1,148,729	1,464,854	1,464,854	(316,125)
Total Receipts	17,205,663	536,275	16,669,388	16,614,081	16,634,481	34,907
DISBURSEMENTS:						
Public Safety and Legal Services	3,160,851	0	3,160,851	3,408,913	3,517,178	356,327
Physical Health and Social Services	1,410,711	0	1,410,711	2,687,944	2,704,244	1,293,533
County Environment and Education	1,301,431	0	1,301,431	1,343,590	1,698,590	397,159
Roads and Transportation	4,498,934	0	4,498,934	4,695,100	4,640,100	141,166
Governmental Services to Residents	742,979	0	742,979	980,946	980,946	237,967
Administration	1,752,881	0	1,752,881	1,982,079	2,088,479	335,598
Non-Program	911,186	901,751	9,435	19,000	126,200	116,765
Debt Service	3,075,063	0	3,075,063	2,706,688	3,105,888	30,825
Capital Projects	1,630,934	0	1,630,934	2,499,789	2,499,789	868,855
Total Disbursements	18,484,970	901,751	17,583,219	20,324,049	21,361,414	3,778,195
Excess (Deficiency) of Receipts Over (Under) Disbursements	(1,279,307)	(365,476)	(913,831)	(3,709,968)	(4,726,933)	3,813,102
Other Financing Sources, Net	349,340	349,340	0	0	0	0
Change in Balances	(929,967)	(16,136)	(913,831)	(3,709,968)	(4,726,933)	3,813,102
Balance Beginning of Year	15,735,648	206,409	15,529,239	13,609,274	13,609,274	1,919,965
Balance End of Year	$14,805,681	$ 190,273	$14,615,408	$ 9,899,306	$ 8,882,341	$5,733,067

See Accompanying Independent Auditor’s Report.

WINNEBAGO COUNTY
Forest City, Iowa

BUDGETARY COMPARISON SCHEDULE – BUDGET TO GAAP RECONCILIATION

REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2023

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	$17,205,663	$ 58,092	$17,263,755
Expenditures	18,484,970	298,973	18,783,943
Net	(1,279,307)	(240,881)	(1,520,188)
Other Financing Sources, Net	349,340	250,644	599,984
Beginning Fund Balances	15,735,648	(140,559)	15,595,089
Increase in Reserve For: Inventories	0	262,051	262,051
Ending Fund Balances	$14,805,681	$ 131,255	$14,936,936

See Accompanying Independent Auditor's Report

WINNEBAGO COUNTY
Forest City, Iowa

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING

June 30, 2023

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

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

Formal and legal budgetary control is based upon 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, Special Revenue Funds, Debt Service Fund and Capital Project 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, two budget amendments increased budgeted disbursements by $1,037,365. The budget amendments are reflected in the final budgeted amounts.

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

During the year ended June 30, 2023, disbursements did not exceed the amounts budgeted, however, disbursements in certain departments exceeded the amounts appropriated.

WINNEBAGO COUNTY
Forest City, Iowa

SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM FOR THE LAST NINE YEARS
(In Thousands)

REQUIRED SUPPLEMENTARY INFORMATION

	2023	2022	2021	2020
County's Proportion of the Net Pension Liability (Asset)	0.0392810%	0.2225041%**	0.0477377%	0.0459046%
County's Proportionate Share of the Net Pension Liability (Asset)	$1,484	$ (768)	$3,353	$2,658
County's Covered Payroll	$4,865	$4,568	$4,451	$4,099
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	30.50%	(16.81)%	75.33%	64.85%
IPERS' Net Position as a Percentage of the Total Pension Liability (Asset)	91.40%	100.81%	82.90%	85.45%

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

** Overall plan net pension asset

See Accompanying Independent Auditor's Report.

2019	2018	2017	2016	2015
0.0477176%	0.0531131%	0.0526596%	0.0500800%	0.0498585%
$3,020	$3,538	$3,314	$2,475	$1,977
$4,222	$4,409	$4,150	$4,050	$3,805
71.53%	80.24%	79.86%	61.11%	51.96%
83.62%	82.21%	81.82%	85.19%	87.61%

WINNEBAGO COUNTY
Forest City, Iowa

SCHEDULE OF COUNTY CONTRIBUTIONS

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE LAST TEN YEARS
(In Thousands)

REQUIRED SUPPLEMENTARY INFORMATION

	2023	2022	2021	2020	2019
Statutorily Required Contribution	$ 511	$ 447	$ 431	$ 424	$ 406
Contributions in Relation to the Statutorily Required Contribution	(511)	(447)	(431)	(424)	(406)
Contribution Deficiency	$ 0	$ 0	$ 0	$ 0	$ 0
County's Covered Payroll	$5,478	$4,865	$4,568	$4,451	$4,099
Contributions as a Percentage of Covered Payroll	9.33%	9.19%	9.44%	9.52%	9.91%

See Accompanying Independent Auditor's Report.

2018	2017	2016	2015	2014
$ 381	$ 397	$ 373	$ 349	$ 341
(381)	(397)	(373)	(349)	(341)
$ 0	$ 0	$ 0	$ 0	$ 0
$4,222	$4,409	$4,150	$4,050	$3,805
9.02%	9.02%	8.98%	8.62%	8.96%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY

Year Ended June 30, 2023

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

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

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

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

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

WINNEBAGO COUNTY
Forest City, Iowa

SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES FOR THE LAST SIX YEARS

REQUIRED SUPPLEMENTARY INFORMATION

	2023	2022
Service Cost	$ 16,159	$ 16,240
Interest Cost	9,309	9,229
Difference Between Expected and Actual Experiences	(12,580)	(18,048)
Changes in Assumptions	0	(32,570)
Benefit Payments	(10,840)	(8,861)
Net Change in Total OPEB Liability	2,048	(34,010)
Total OPEB Liability Beginning of Year	193,641	227,651
Total OPEB Liability End of Year	$ 195,689	$ 193,641
Covered-Employee Payroll	$4,917,302	$4,434,042
Total OPEB Liability as a Percentage of Employee Payroll	3.98%	4.37%

See Accompanying Independent Auditor's Report.

2021	2020	2019	2018
$ 18,556	$ 18,556	$ 63,372	$ 33,666
7,720	7,798	25,159	14,542
(19,759)	(57,456)	(41,602)	(37,449)
0	(135,522)	0	0
(9,556)	(10,501)	(4,655)	(382)
(3,039)	(177,125)	42,274	10,377
230,690	407,815	365,541	355,164
$ 227,651	$ 230,690	$ 407,815	$ 365,541
$4,178,200	$4,120,183	$3,954,068	$3,835,442
5.45%	5.60%	10.31%	9.53%

WINNEBAGO COUNTY
Forest City, Iowa

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB LIABILITY

Year Ended June 30, 2023

Changes in Benefit Terms:

There were no significant changes in benefit terms.

Changes in Assumptions:

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

Year Ended June 30, 2023	4.55%
Year Ended June 30, 2022	4.55%
Year Ended June 30, 2021	3.15%
Year Ended June 30, 2020	3.15%
Year Ended June 30, 2019	3.72%
Year Ended June 30, 2018	3.72%

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

OPEB Schedules in the Required Supplementary Information are intended to show information for ten years. The additional year's information will be displayed as it becomes available.

WINNEBAGO COUNTY
Forest City, Iowa

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Special Revenue					
	Resource Enhancement and Protection	County Recorder's Record Managemen	Emergency Medical Services	Local Option Sales Tax	Seizure	Monument Trust
ASSETS						
Cash, Cash Equivalents and Pooled Investments	$26,147	$23,931	$ 70,000	$ 0	$11,981	$7,313
Receivables:						
Property Tax:						
Succeeding Year	0	0	454,996	0	0	0
Accounts	0	410	0	0	0	0
Accrued Interest	0	23	0	0	0	0
Drainage Assessments	0	0	0	0	0	0
Opioid Settlement	0	0	0	0	0	0
Due From Other Governments	0	0	0	41,420	0	0
Notes Receivable	0	0	0	0	0	0
Prepaid Insurance	0	0	0	0	0	0
TOTAL ASSETS	$26,147	$24,364	$524,996	$41,420	$11,981	$7,313
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Accrued Interest Payable	0	0	0	0	0	0
Salaries and Benefits Payable	0	0	0	0	0	0
Total Liabilities	0	0	0	0	0	0
Deferred Inflows of Resources:						
Unavailable Revenues:						
Succeeding Year Property Tax	0	0	454,996	0	0	0
Other	0	0	0	0	0	0
Total Deferred Inflows of Resources	0	0	454,996	0	0	0
Fund Balances:						
Nonspendable:						
Notes Receivable	0	0	0	0	0	0
Prepaid Insurance	0	0	0	0	0	0
Restricted For:						
Drainage Warrants	0	0	0	0	0	0
Capital Projects	0	0	0	0	0	0
Opioid Abatement	0	0	0	0	0	0
Other Purposes	26,147	24,364	70,000	41,420	11,981	7,313
Unassigned	0	0	0	0	0	0
Total Fund Balances	26,147	24,364	70,000	41,420	11,981	7,313
TOTAL LIABILITIES, DEFERRED RESOURCES AND FUND BALANCES	$26,147	$24,364	$524,996	$41,420	$11,981	$7,313

See Accompanying Independent Auditor's Report

Schedule 1

Special Revenue						Capital Projects			
WinnWorth BETCO	Solid Waste Managemen	RBEG Revolving Loan	County Home Trust	Attorney Seizure	Opioid Settlement	Drainage	Environmental Education Center	Courthouse Project	Total
$133,873	$ 90	$ 56,550	$58,417	$4,067	$ 39,396	$190,273	$33,835	$206,377	$ 862,250
0	0	0	0	0	0	0	0	0	454,996
0	28,941	0	0	0	0	0	0	0	29,351
0	0	0	0	0	0	0	0	0	23
0	0	0	0	0	0	589,179	0	0	589,179
0	0	0	0	0	142,340	0	0	0	142,340
0	0	0	0	0	0	0	0	0	41,420
0	0	141,320	0	0	0	0	0	0	141,320
361	0	0	0	0	0	0	0	0	361
							0		
$134,234	$29,031	$197,870	$58,417	$4,067	$181,736	$779,452	$33,835	$206,377	$2,261,240
$ 4,047	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$42,265	$ 0	$ 46,312
0	0	0	0	0	0	25,097	0	0	25,097
356	0	0	0	0	0	0	0	0	356
4,403	0	0	0	0	0	25,097	42,265	0	71,765
0	0	0	0	0	0	0	0	0	454,996
0	0	141,320	0	0	142,340	589,179	0	0	872,839
0	0	141,320	0	0	142,340	589,179	0	0	1,327,835
0	0	141,320	0	0	0	0	0	0	141,320
361	0	0	0	0	0	0	0	0	361
0	0	0	0	0	0	165,176	0	0	165,176
0	0	0	0	0	0	0	0	206,377	206,377
0	0	0	0	0	39,396	0	0	0	39,396
129,470	29,031	0	58,417	4,067	0	0	0	0	402,210
0	0	(84,770)	0	0	0	0	(8,430)	0	(93,200)
129,831	29,031	56,550	58,417	4,067	39,396	165,176	(8,430)	206,377	861,640
$134,234	$29,031	$197,870	$58,417	$4,067	$181,736	$779,452	$33,835	$206,377	$2,261,240

WINNEBAGO COUNTY
Forest City, Iowa

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS Year Ended June 30, 2023

	Special Revenue						
	Resource Enhancement and Protection	County Recorder's Records Management	Emergency Medical Services	Local Option Sales Tax	Seizure	Sheriff's Reserve	Monument Trust
REVENUES:							
Property and Other County Tax	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Local Option Sales Tax	0	0	0	494,632	0	0	0
Intergovernmental	9,544	0	0	0	0	0	0
Charges for Service	0	1,735	0	0	0	0	0
Use of Money and Property	127	215	0	0	0	0	0
Miscellaneous	0	0	70,000	0	0	0	0
Total Revenues	9,671	1,950	70,000	494,632	0	0	0
EXPENDITURES:							
Operating:							
Public Safety and Legal Services	0	0	0	0	0	0	0
County Environment and Education	3,048	0	0	0	0	0	0
Non-Program	0	0	0	0	0	0	0
Capital Projects	0	0	0	0	0	0	0
Total Expenditures	3,048	0	0	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,623	1,950	70,000	494,632	0	0	0
Other Financing Sources (Uses):							
Transfers In	0	0	0	0	0	0	0
Transfers Out	0	0	0	(493,287)	0	(130)	0
Drainage Warrants Issued	0	0	0	0	0	0	0
Total Other Financing Sources	0	0	0	(493,287)	0	(130)	0
Change in Fund Balances	6,623	1,950	70,000	1,345	0	(130)	0
Fund Balances Beginning of Year	19,524	22,414	0	40,075	11,981	130	7,313
Fund Balances End of Year	$26,147	$24,364	$70,000	$ 41,420	$11,981	$ 0	$7,313

See Accompanying Independent Auditor's Report

Schedule 2

Special Revenue								Capital Projects		
Fair Association	WinnWorth BETCO	Solid Waste Management	RBEG Grant Revolving Loan	County Home Trust	Attorney Seizure	Opioid Settlement	Drainage	Environmental Education Center	Courthouse Project	Total
$ 0	$ 44,846	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 44,846
0	0	0	0	0	0	0	0	0	0	494,632
0	94,548	0	0	0	0	0	0	230,150	0	334,242
0	0	106,576	0	0	0	0	0	0	0	108,311
0	0	530	57,918	261	0	0	0	0	0	59,051
0	5,185	0	200	0	0	33,132	536,275	800,000	0	1,444,792
0	144,579	107,106	58,118	261	0	33,132	536,275	1,030,150	0	2,485,874
0	0	0	0	0	600	0	0	0	0	600
35,000	195,428	0	75,000	0	0	0	0	0	0	308,476
0	0	0	0	0	0	0	900,080	0	0	900,080
0	0	0	0	0	0	0	0	1,038,580	52,102	1,090,682
35,000	195,428	0	75,000	0	600	0	900,080	1,038,580	52,102	2,299,838
(35,000)	(50,849)	107,106	(16,882)	261	(600)	33,132	(363,805)	(8,430)	(52,102)	186,036
35,000	94,548	0	0	0	0	0	0	0	0	129,548
0	0	(114,454)	0	0	0	0	0	0	0	(607,871)
0	0	0	0	0	0	0	349,340	0	0	349,340
35,000	94,548	(114,454)	0	0	0	0	349,340	0	0	(128,983)
0	43,699	(7,348)	(16,882)	261	(600)	33,132	(14,465)	(8,430)	(52,102)	57,053
0	86,132	36,379	73,432	58,156	4,667	6,264	179,641	0	258,479	804,587
$ 0	$129,831	$ 29,031	$ 56,550	$58,417	$4,067	$39,396	$ 165,176	$ (8,430)	$206,377	$ 861,640

WINNEBAGO COUNTY
Forest City, Iowa

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
June 30, 2023

	County Offices	Agricultural Extension Education	County Assessor	Schools
ASSETS				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	$ 0	$ 1,497	$ 816,334	$ 52,244
Other County Officials	4,334	0	0	0
Receivables:				
Property Tax:				
Delinquent	0	382	837	13,212
Succeeding Year	174	193,154	403,577	6,748,795
Accrued Interest	0	0	0	0
Assessments	0	0	0	0
Prepaid Insurance	0	0	988	0
TOTAL ASSETS	4,508	195,033	1,221,736	6,814,251
LIABILITIES				
Accounts Payable	0	0	313	0
Due To Other Governments	595	1,497	0	52,244
Due to Individuals and Private Entities	3,913	0	0	0
Compensated Absences	0	0	4,882	0
TOTAL LIABILITIES	4,508	1,497	5,195	52,244
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	0	193,536	404,414	6,762,007
NET POSITION				
Restricted for Individuals, Organizations and Other Governments	$ 0	$ 0	$812,127	$ 0

See Accompanying Independent Auditor’s Report

Schedule 3

Community Colleges	Corporations	Townships	City Special Assessments	Auto License And Use Tax	Others	Total
$ 5,509	$ 23,605	$ 1,423	$ 2,004	$337,614	$473,057	$ 1,713,287
0	0	0	0	0	0	4,334
1,409	10,327	191	0	0	3	26,361
788,167	4,600,030	169,583	0	0	53,847	12,957,327
0	0	0	0	0	45,688	45,688
0	0	0	367,058	0	0	367,058
0	0	0	0	0	0	988
795,085	4,633,962	171,197	369,062	337,614	572,595	15,115,043
0	0	0	0	0	3,605	3,918
5,509	23,605	1,423	2,004	337,614	1,569	426,060
0	0	0	0	0	14,049	17,962
0	0	0	0	0	0	4,882
5,509	23,605	1,423	2,004	337,614	19,223	452,822
789,576	4,610,357	169,774	367,058	0	46,821	13,343,543
$ 0	$ 0	$ 0	$ 0	$ 0	$506,551	$ 1,318,678

WINNEBAGO COUNTY
Forest City, Iowa

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
Year Ended June 30, 2023

	County Offices	Agricultural Extension Education	County Assessor	Schools
ADDITIONS:				
Property and Other County Tax	$ 0	$179,606	$393,174	$6,532,279
911 Surcharge	0	0	0	0
State Tax Credits	0	12,463	27,350	391,126
Office Fees and Collections	408,273	0	0	0
Auto Licenses, Use Tax and Postage	0	0	0	0
Assessments	0	0	0	0
Trusts	14,615	0	0	0
Miscellaneous	0	0	337	0
Total Additions	422,888	192,069	420,861	6,923,405
DEDUCTIONS:				
Agency Remittances:				
To Other Funds	162,850	0	0	0
To Other Governments	236,541	192,069	378,763	6,923,405
To Individuals and Private Entities	23,497	0	0	0
Total Deductions	422,888	192,069	378,763	6,923,405
Changes in Net Position	0	0	42,098	0
Net Position Beginning of Year	0	0	770,029	0
Net Position End of Year	$ 0	$ 0	$812,127	$ 0

Schedule 4

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Others	Total
$687,329	$4,172,540	$171,480	$ 0	$ 0	$ 1,462	$12,137,870
0	0	0	0	0	173,018	173,018
40,657	600,318	7,545	0	0	104	1,079,563
0	0	0	0	0	0	408,273
0	0	0	0	4,393,66	0	4,393,366
0	0	0	86,750	0	0	86,750
0	0	0	0	0	194,218	208,833
0	0	0	0	0	8,203	8,540
727,986	4,772,858	179,025	86,750	4,393,366	377,005	18,496,213
0	0	0	0	115,624	0	278,474
727,986	4,772,858	179,025	86,750	4,277,742	99,736	17,874,875
0	0	0	0	0	172,536	196,033
727,986	4,772,858	179,025	86,750	4,393,366	272,272	18,349,382
0	0	0	0	0	104,733	146,831
0	0	0	0	0	401,818	1,171,847
$ 0	$ 0	$ 0	$ 0	$ 0	$506,551	$ 1,318,678

WINNEBAGO COUNTY
Forest City, Iowa

SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION ALL GOVERNMENTAL FUNDS

For the Last Ten Years

	Modified Accrual Basis			
	2023	2022	2021	2020
REVENUES:				
Property and Other County Tax	$ 6,864,672	$ 7,024,930	$ 6,876,754	$ 6,413,387
Tax Increment Financing	2,096,950	3,129,920	3,176,844	3,129,722
Local Option Sales Tax	494,632	522,297	505,792	421,245
Interest and Penalty on Property Tax	26,656	25,067	34,797	13,045
Intergovernmental	4,653,049	4,110,085	6,028,806	4,284,002
Licenses and Permits	53,530	24,941	28,353	34,592
Charges for Service	1,076,431	1,101,125	1,130,421	1,311,274
Use of Money and Property	310,678	196,236	187,715	252,167
Miscellaneous	1,687,157	2,411,047	1,165,205	1,214,163
Total	$17,263,755	$18,545,648	$19,134,687	$17,073,597
EXPENDITURES:				
Operating:				
Public Safety and Legal Services	$ 3,395,683	$ 2,693,857	$ 2,456,057	$ 2,328,420
Physical Health and Social Services	1,423,684	1,353,185	1,334,556	1,256,033
Mental Health	0	521,555	353,829	498,642
County Environment and Education	1,436,288	886,046	830,408	822,363
Roads and Transportation	4,518,839	4,138,431	4,087,225	4,055,298
Governmental Services to Residents	792,490	681,697	601,095	625,643
Administration	1,749,084	1,355,684	1,237,103	1,296,443
Non-Program	909,515	2,564,269	2,661,809	1,865,976
Debt Service	3,075,063	2,429,573	2,491,425	2,463,291
Capital Projects	1,483,297	682,795	942,232	1,461,840
Total	$18,783,943	$17,307,092	$16,995,739	$16,673,949

Schedule 5

2019	2018	2017	2016	2015	2014
$ 6,560,410	$ 5,729,644	$ 5,445,370	$ 6,980,066	$ 6,158,325	$ 5,330,358
3,335,718	3,254,140	2,496,228	0	0	0
412,778	385,876	375,173	318,037	404,684	375,171
25,744	23,265	22,566	19,618	25,513	24,802
4,576,628	4,099,192	5,643,382	3,923,321	3,635,257	3,145,972
32,405	21,106	26,781	19,978	18,684	18,758
1,207,160	1,147,973	1,198,822	1,390,233	1,306,191	1,193,435
250,369	298,323	342,700	281,108	126,625	100,408
1,273,745	989,652	668,885	1,071,761	663,732	695,041
$17,674,957	$15,949,171	$16,219,907	$14,004,122	$12,339,011	$10,883,945
$ 2,189,627	$ 2,051,624	$ 1,950,871	$ 1,794,331	$ 1,561,508	$ 1,455,213
1,233,877	1,289,931	1,406,806	1,357,769	1,207,241	1,146,177
970,110	668,302	811,194	754,747	814,545	640,016
742,828	820,735	767,835	829,531	869,755	665,757
4,025,440	3,634,323	3,476,260	3,954,841	3,309,286	3,652,189
567,411	553,405	515,897	526,636	479,494	439,962
1,130,936	1,265,435	1,657,845	1,787,608	1,218,302	1,309,601
1,891,004	1,792,493	1,141,884	1,162,982	1,252,560	892,046
2,694,752	17,796,784	3,246,273	2,731,796	1,876,491	2,473,656
974,457	760,862	6,004,563	1,310,361	692,175	2,543,498
$16,420,442	$30,633,894	$20,979,428	$16,210,602	$13,281,357	$15,218,115

GARDINER + COMPANY
Certified Public Accountants

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

To the Officials of Winnebago County
Forest City, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Winnebago County, Iowa as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Winnebago County, Iowa's basic financial statements and have issued our report thereon dated February 16, 2024.

Report on Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2023-001 and 2023-003 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings as item 2023-02 to be a significant deficiency.

1209 South Main • P.O. Box 216 • Charles City, IA 50616-0216 • Phone: (641) 228-7096 • Fax: (641) 228-7103 • www.gardinercpa.com

Report on Compliance and Other Matters

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2023 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of 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.

Winnebago County, Iowa's Responses to Findings

Government Auditing Standards require the auditor to perform limited procedures on Winnebago County, Iowa's responses to the findings identified in our audit and described in the accompanying Schedule of Findings. Winnebago County, Iowa's responses were not subjected to the 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Winnebago County, Iowa's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Gardiner + Company, P.C.

Charles City, Iowa
February 16, 2024

WINNEBAGO COUNTY
Forest City, Iowa

SCHEDULE OF FINDINGS
Year Ended June 30, 2023

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

2023-001 Segregation of Duties

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

Condition – Various functions of the County Offices are performed by the same person.

Cause – Limited staff available to segregate duties.

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

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the County should review its control procedures to obtain the maximum internal control possible under the circumstances.

Response and Corrective Action Planned – We have reviewed procedures as suggested and plan to make improvements to internal control.

Conclusion – Response accepted.

2023-002 Preparation of Full Disclosure Financial Statements

Criteria – Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements for external reporting in conformity with U.S. generally accepted accounting principles.

Condition – During the audit, we noted that Winnebago County does not have the internal resources to prepare the full disclosure financial statements required by generally accepted accounting principles.

Cause – The County does not have the internal resources to prepare the full disclosure financial statements required by generally accepted accounting principles.

Findings Related to the Financial Statements: (Continued)

2023-002 Preparation of Full Disclosure Financial Statements (Continued)

Effect – Gardiner + Company assists in the preparation of the full disclosure financial statements. Management of Winnebago County thoroughly reviews them and accepts full responsibility for their completeness and accuracy.

Recommendation – We realize that with a limited number of employees, gaining sufficient knowledge and expertise to properly select and apply accounting principles and prepare full disclosure financial statements for external reporting is difficult. However, we recommend that County officials continue to review operating procedures and obtain the internal expertise needed to handle all aspects of external financial reporting, rather than rely on external assistance.

Response – We recognize our limitations, however it is not fiscally responsible to add additional staff at this time.

Conclusion – Response acknowledged.

2023-003 Financial Reporting

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

Condition – Material amounts of accounts receivable and deferred inflows of resources were not properly recorded in the County's financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

Cause – County policies do not require and procedures have not been established to require independent review of year end cut-off 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 transactions are identified and properly reported in the County's financial statements.

Findings Related to the Financial Statements: (Continued)

2023-003 Financial Reporting (Continued)

Response and Corrective Action Planned – We will review our current procedures to ensure the proper amounts are recorded in the financial statements in the future.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Other Findings Related to Required Statutory Reporting:

2023-A **Certified Budget** – Disbursements during the year ended June 30, 2023 did not exceed the amounts budgeted, however disbursements in certain departments exceeded the amounts appropriated and the budget was not appropriated by resolution before any disbursements were made.

Recommendation – Chapter 331.434(6) of the Code of Iowa requires the budget to be appropriated by resolution before any disbursements are made.

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

Response – We will appropriate the budget prior to any disbursements being made and appropriations will be watched more closely by the departments.

Conclusion – Response accepted.

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

Paid to	Purpose	Amount
VISA	Pizza for Meeting	$77

<u>Other Findings Related to Required Statutory Reporting:</u> (Continued)

2023-B **<u>Questionable Expenditures</u> (Continued)**

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

Recommendation – The Board of Supervisors should determine and document the public purpose served by these types of expenditures prior to authorizing any further payments. If this practice is continued, the County should establish written policies and procedures, including requirements for proper public purpose documentation.

Response – The Board of Supervisors will document this in the future.

Conclusion – Response accepted.

2023-C **<u>Travel Expense</u>** – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

2023-D **<u>Business Transactions</u>** – The following business transactions between the County and County officials or employees were noted:

Name, Title, and Business	Description	Amount
Sandy Larson, Sheriff Department Body Works, Owner is Husband	Collisions and Decal Work	$1,100

In accordance with Chapter 331.342 of the Code of Iowa, the transactions with Body Works do not appear to represent conflicts of interest since total transactions were less than $6,000 during the fiscal year.

2023-E **<u>Restricted Donor Activity</u>** – No transactions were noted between the County, County officials, County employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

2023-F **<u>Bond Coverage</u>** – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.

2023-G **<u>Board Minutes</u>** – No transactions were found that we believe should have been approved in the Board minutes but were not.

SCHEDULE OF FINDINGS (CONTINUED)
Year Ended June 30, 2023

Other Findings Related to Required Statutory Reporting: (Continued)

2023-H **Deposits and Investments** – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.

2023-I **Resource Enhancement and Protection Certification** – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19 (1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

2023-J **Annual Urban Renewal Report** – The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1 as required by Chapter 331.403(3)(a) of the Code of Iowa.

2023-K **Tax Increment Financing** – For the year ended June 30, 2023, the County Auditor prepared reconciliations for each City reconciling TIF receipts with total outstanding TIF debt. Payments from the UR2 Fund and the UR2A Fund properly included only payments for TIF loans. Also, Winnebago County properly completed the Tax Increment Debt Forms 1, 2, or 3 as appropriate, to certify TIF obligations, to decertify TIF debt or to request a reduced distribution of TIF.

2023-L **Financial Position –** The Environmental Education Center Capital Projects Fund had a deficit fund balance of $8,430 as of June 30, 2023.

Recommendation – The County should monitor this fund to keep a sound financial position.

***Response* -** We will deposit funds as needed as construction progresses.

Conclusion – Response accepted

APPENDIX B

DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

1. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

2. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

3. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

4. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

5. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

6. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

7. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

8. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the County or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

APPENDIX C

DRAFT FORM OF BOND COUNSEL OPINION

We hereby certify that we have examined certified copies of the proceedings (the "Proceedings") of the Board of Supervisors of Winnebago County, Iowa (the "Issuer"), passed preliminary to the issue by the Issuer of its General Obligation Urban Renewal Bonds, Series 2024 (the "Bonds") in the amount of $6,150,000, dated September 25, 2024, in the denomination of $5,000 each, or any integral multiple thereof, in evidence of the Issuer's obligation under a certain loan agreement (the "Loan Agreement"), dated as of September 25, 2024. The Bonds mature on June 1 in each of the respective years and in the principal amounts and bear interest payable semiannually, on June 1 and December 1 in each year, commencing December 1, 2024, at the respective rates as follows:

Date	Principal	Interest Rate
2026	$1,950,000	____%
2027	$2,050,000	____%
2028	$2,150,000	____%

The Bonds are not subject to optional redemption prior to maturity.

Based upon our examination, we are of the opinion, as of the date hereof, that:

1. The Proceedings show lawful authority for such issue under the laws of the State of Iowa.

2. The Bonds and the Loan Agreement are valid and binding general obligations of the Issuer.

3. All taxable property within the boundaries of the Issuer is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount.

4. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes and is not treated as a preference item in calculating the federal alternative minimum tax imposed on noncorporate taxpayers under the Internal Revenue Code of 1986 (the "Code"). The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

5. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the Bonds be, or continue to be, qualified tax-exempt obligations. The Issuer has covenanted to comply with each such requirement.

We express no opinion regarding other federal tax consequences arising with respect to the Bonds. We note, however, that interest on the Bonds may be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code).

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

DORSEY & WHITNEY LLP

***This form of bond counsel opinion is subject to change pending the results of the sale of the Bonds contemplated herein.**

APPENDIX D

DRAFT CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Winnebago County, Iowa (the "Issuer"), in connection with the issuance of $6,150,000 General Obligation Urban Renewal Bonds, Series 2024, (the "Bonds"), dated September 25, 2024. The Bonds are being issued pursuant to a resolution of the Issuer approved on September 10, 2024 (the "Resolution"). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12.

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean the Dissemination Agent, if any, designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"EMMA" shall mean the MSRB's Electronic Municipal Market Access system available at http://emma.msrb.org.

"Financial Obligation" shall mean a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or, (iii) guarantee of either (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB pursuant to the Rule.

"Holders" shall mean the registered holders of the Bonds, as recorded in the registration books of the Registrar.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"Municipal Securities Rulemaking Board" or "MSRB" shall mean the Municipal Securities Rulemaking Board, 1300 I Street NW, Suite 1000, Washington, DC 20005.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Iowa.

Section 3. Provision of Annual Reports.

(a) Not later than June 30 (the "Submission Deadline") of each year following the end of the 2023-2024 fiscal year, the Issuer shall, or shall cause the Dissemination Agent (if any) to, file on EMMA an electronic copy of its Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate in a format and accompanied by such identifying information as prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the Submission Deadline if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c), and the Submission Deadline beginning with the subsequent fiscal year will become one year following the end of the changed fiscal year.

(b) If the Issuer has designated a Dissemination Agent, then not later than fifteen (15) business days prior to the Submission Deadline, the Issuer shall provide the Annual Report to the Dissemination Agent.

(c) If the Issuer is unable to provide an Annual Report by the Submission Deadline, in a timely manner thereafter, the Issuer shall, or shall cause the Dissemination Agent (if any) to, file a notice on EMMA stating that there has been a failure to provide an Annual Report on or before the Submission Deadline.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

(a) The **audited financial statements** of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under State law, as in effect from time to time, or, if and to the extent such audited financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the Issuer's audited financial statements are not available by the Submission Deadline, the Annual Report shall contain unaudited financial information (which may include any annual filing information required by State law) accompanied by a notice that the audited financial statements are not yet available, and the audited financial statements shall be filed on EMMA when they become available.

(b) Tables, schedules or other information contained in the official statement for the Bonds, under the following captions:

Debt Information:
Debt Limitation
Summary of Outstanding General Obligation Bonded Debt
General Obligation Debt
Detailed Overlapping Bonded Debt
Statement of General Obligation Bonded Indebtedness

Property Assessment and Tax Information:
Actual (100%) Valuations for the County
Taxable (Rollback) Valuations for the County
Tax Extensions and Collections
Principal Taxpayers
Property Tax Rates

Financial Information:
Statement of Net Position – Governmental Activities
Statement of Activities – Governmental Activities
Balance Sheet – General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances – General Fund

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which are available on EMMA or are filed with the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available on EMMA. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note to paragraph (12): For the purposes of the event identified in subparagraph (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material.

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) If a Listed Event described in Section 5(a) paragraph (2), (7), (8) (but only with respect to bond calls under (8)), (10), (13), (14), or (15) has occurred and the Issuer has determined that such Listed Event is material under applicable federal securities laws, the Issuer shall, in a timely manner but not later than ten business days after the occurrence of such Listed Event, promptly file, or cause to be filed, a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB.

(c) If a Listed Event described in Section 5(a) paragraph (1), (3), (4), (5), (6), (8) (but only with respect to tender offers under (8)), (9), (11), (12), or (16) above has occurred the Issuer shall, in a timely manner but not later than ten business days after the occurrence of such Listed Event, promptly file, or cause to be filed, a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB. Notwithstanding the foregoing, notice of Listed Events described in Section (5)(a) paragraphs (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds or upon the Issuer's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the Issuer to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended.

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or Annual Report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be Speer Financial, Inc.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) (i) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted; (ii) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) the amendment or waiver either (1) is approved by a majority of the Holders, or (2) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners; or

(b) the amendment or waiver is necessary to comply with modifications to or interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing audited financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made will present a comparison or other discussion in narrative form (and also, if feasible, in quantitative form) describing or illustrating the material differences between the audited financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. Direct, indirect, consequential and punitive damages shall not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent, if any, shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: September 25, 2024

WINNEBAGO COUNTY, IOWA

By____________________________________
Chairperson, Board of Supervisors

Attest:

By____________________________________
County Auditor

OFFICIAL BID FORM

Winnebago County
126 S. Clark Street
Forest City, IA 50436

August 27, 2024
Speer Financial, Inc.
Facsimile: (319) 291-8628

Board of Supervisors:

For the $6,150,000* General Obligation Urban Renewal Bonds, Series 2024 (the "Bonds"), of the Winnebago County, Iowa (the "County"), as described in the annexed Official Terms of Offering, which is expressly made a part of this bid, we will pay you $_________________ (no less than $6,100,800). The Bonds are to bear interest at the following respective rates (each a multiple of 1/8 or 1/100 of 1%) for the Bonds of each designated maturity.

AMOUNTS* AND MATURITIES – JUNE 1

$1,950,000 .... 2026 __________% $2,050,000 .... 2027 __________% $2,150,000 .... 2028 __________%

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

Maturities: ___________ ***Term Maturity*** _______ ***Maturities:*** __________ ***Term Maturity*** _______

**Subject to principal adjustment in accordance with the Official Terms of Offering.*

In submitting this bid, we represent that (i) this bid constitutes a firm offer to purchase the Bonds, and (ii) we have an established industry reputation for underwriting new issuances of municipal bonds and notes.

The Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa. The County will pay for the legal opinion. **The Purchaser agrees to** pay the fee charged by the CUSIP Service Bureau and will accept the Bonds with the CUSIP numbers as entered on the Bonds.

As evidence of our good faith, if we are the winning bidder, we will wire transfer the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time to the County's good faith bank and under the terms provided in the Official Terms of Offering for the Bonds. Alternatively, we have wire transferred or enclosed herewith a check payable to the County in the amount of the Deposit under the terms provided in the Official Terms of Offering for the Bonds.

Attached hereto is a list of members of our account on whose behalf this bid is made.

Form of Deposit (Check One)

Prior to Bid Opening:
Certified/Cashier's Check [ ]
Wire Transfer [ ]

Within TWO Hours of Bid Opening:
Wire Transfer [ ]

Amount: $123,000

Account Manager Information

Underwriter/Bank ____________________________________

Address ____

Authorized Rep ______________________________________

City _____________ State/Zip _________________________

Direct Phone (______)________________________________

FAX Number (______)_________________________________

E-Mail Address ______________________________________

Bidders Option Insurance

We have purchased insurance from:

Name of Insurer
(Please fill in)

____

Premium: ________________

Maturities: (Check One)

[__] ________________**Years**

[__] All

The foregoing bid was accepted and the Bonds sold by resolution of the County on August 27, 2024, and receipt is hereby acknowledged of the good faith Deposit which is being held in accordance with the terms of the annexed Official Terms of Offering.

ATTEST: WINNEBAGO COUNTY, IOWA

____
County Auditor

____
Board of Supervisors Chairperson

--------------NOT PART OF THE BID---------------
(Calculation of true interest cost)

Gross Interest	$
Less Premium/Plus Discount	$
True Interest Cost	$
True Interest Rate	%
TOTAL BOND YEARS	16,702.50
AVERAGE LIFE	2.716 Years

OFFICIAL TERMS OF OFFERING

$6,150,000*
WINNEBAGO COUNTY, IOWA

General Obligation Urban Renewal Bonds, Series 2024

The Winnebago County, Iowa, (the "County"), will receive electronic bids on the SpeerAuction ("SpeerAuction") website address "www.SpeerAuction.com" for its $6,150,000* General Obligation Urban Renewal Bonds, Series 2024 (the "Bonds"), on an all or none basis between 10:00 A.M. and 10:30 A.M., C.D.T., Tuesday, August 27, 2024. To bid electronically, bidders must have: (1) completed the registration form on the SpeerAuction website, and (2) requested and received admission to the County's sale (as described below). The County will also receive sealed bids for the Bonds, on an all or none basis, at the County Auditor's office, 126 S. Clark Street, Forest City, Iowa, before 10:30 A.M., C.D.T., Tuesday, August 27, 2024. The County will also receive facsimile bids at (319) 291-8628 for the Bonds, on an all or none basis, before 10:30 A.M., C.D.T., Tuesday, August 27, 2024. Upon receipt, facsimile bids will be sealed and treated as sealed bids, and along with all other sealed bids will be publicly opened and, together with any electronic bids, read.

Award will be made or all bids rejected at a meeting of the County on that date. The County reserves the right to reject all bids, to reject any bid proposal not conforming to this Official Terms of Offering, and to waive any irregularity or informality with respect to any bid. Additionally, the County reserves the right to modify or amend this Official Terms of Offering; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Bonds and any such modification or amendment will be announced on the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News.*

The Bonds are valid and binding general obligations of the County, and all taxable property within the boundaries of the County is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount.

**ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER DETERMINATION OF BEST BID. The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the County or its designee after the determination of the Winning Bidder. The County may increase or decrease each maturity in increments of $5,000, but the total amount to be issued will not exceed $6,150,000. Interest rates specified by the Winning Bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the County.*

The dollar amount of the purchase price proposed by the Winning Bidder will be changed if the aggregate principal amount of the Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Bonds will be made while maintaining, as closely as possible, the Winning Bidder's net compensation, calculated as a percentage of bond principal. The Winning Bidder may not withdraw or modify its bid as a result of any post-bid adjustment. Any adjustment shall be conclusive, and shall be binding upon the Winning Bidder.

Establishment of Issue Price

(a) The winning bidder shall assist the County in establishing the issue price of the Bonds and shall execute and deliver to the County at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the Public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as **Exhibit A** to this Official Terms of Offering, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the County and Dorsey & Whitney LLP ("Bond Counsel"). All actions to be taken by the County under this Official Terms of Offering to establish the issue price of the Bonds may be taken on behalf of the County by the County's municipal advisor and any notice or report to be provided to the County may be provided to Speer Financial, Inc., Chicago, Illinois (*"Speer"*).

(b) The County intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

(i) the County shall disseminate this Official Terms of Offering to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters;
(ii) all bidders shall have an equal opportunity to bid;
(iii) the County may receive bids from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
(iv) the County anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost, as set forth in this Official Terms of Offering.

Any bid submitted pursuant to this Official Terms of Offering shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

(c) In the event that the competitive sale requirements are not satisfied, the County shall so advise the winning bidder. **The County will <u>not</u> require bidders to comply with the "hold-the-offering-price rule" and therefore does not intend to use the initial offering price to the Public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity, though the winning bidder may elect to apply the "hold the offering price rule" (as described below). Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Unless a bidder intends to apply the "hold-the-offering-price rule" as described below, bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the 10% test (as described below) in order to establish the issue price of the Bonds.** If the competitive sale requirements are not satisfied, the 10% test shall apply to determine the issue price of each maturity of the Bonds unless the winning bidder shall request that the "hold-the-offering-price rule" (as described below) shall apply. The winning bidder must notify Speer of its intention to apply the "hold-the-offering-price rule" at or prior to the time the Bonds are awarded.

(i) If the winning bidder <u>does not</u> request that the "hold-the-offering-price rule" apply to determine the issue price of the Bonds, the following two paragraphs shall apply:

The County shall treat the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the Public as the issue price of that maturity, applied on a maturity-by-maturity basis. The winning bidder shall advise the County if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds.

Until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the County the prices at which the unsold Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the Public. In addition, if the 10% test has not been satisfied with respect to any maturity of the Bonds prior to closing, then the purchaser shall provide the County with a representation as to the price of prices, as of the date of closing, at which the purchaser reasonably expects to sell the remaining Bonds of such maturity.

(ii) If the winning bidder <u>does</u> request that the "hold-the-offering-price rule" apply to determine the issue price of the Bonds, the following three paragraphs shall apply:

The County may determine to treat (i) pursuant to the 10% test, the first price at which 10% of a maturity of the Bonds is sold to the Public as the issue price of that maturity and/or (ii) the initial offering price to the Public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the County if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The County shall promptly advise the winning bidder, at or before the time of award of the Bonds, which maturities of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule or both. Bids will *not* be subject to cancellation in the event that the County determines to apply the hold-the-offering-price rule to any maturity of the Bonds.

By submitting a bid, the winning bidder shall (i) confirm that the Underwriters have offered or will offer the Bonds to the Public on or before the date of award at the offering price or prices (the *"initial offering price"*), and (ii) agree, on behalf of the Underwriters participating in the purchase of the Bonds, that the Underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

(1) the close of the fifth business day after the Sale Date; or
(2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the Public at a price that is no higher than the initial offering price to the Public.

The County acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The County further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price applicable to the Bonds.

(d) By submitting a bid, each bidder confirms that: (i) any agreement among Underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (a) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (b) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires which shall be at least until the 10% test has been satisfied as to the Bonds of that maturity or until the close of the fifth business day following the date of the award, and (ii) any agreement among Underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to (a) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (b) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires, which shall be at least until the 10% test has been satisfied as to the Bonds of that maturity or until the close of the fifth business day following the date of the award.

(e) Sales of any Bonds to any person that is a Related Party to an Underwriter shall not constitute sales to the Public for purposes of this Official Terms of Offering. Further, for purposes of this Official Terms of Offering:

(i) "Public" means any person other than an Underwriter or a Related Party,
(ii) "Underwriter" means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public including, specifically, the purchaser, and (b) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public),
(iii) a purchaser of any of the Bonds is a "Related Party" to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
(iv) "Sale Date" means the date that the Bonds are awarded by the County to the winning bidder.

Bond Details

The Bonds will be in fully registered form in the denominations of $5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, to which principal and interest payments on the Bonds will be paid. Individual purchases will be in book-entry form only. Interest on each Bond shall be paid by check or draft of the Bond Registrar to the person in whose name such Bond is registered at the close of business on the fifteenth day of the month next preceding an interest payment date on such bond. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal office maintained for the purpose by the Bond Registrar in West Des Moines, Iowa. Semiannual interest is due June 1 and December 1 of each year, commencing December 1, 2024 and is payable by UMB Bank, n.a., West Des Moines, Iowa (the "Bond Registrar"). The Bonds are dated the date of delivery (expected to be on or about September 25, 2024).

AMOUNTS* AND MATURITIES – JUNE 1

$1,950,000 2026	$2,050,000 2027	$2,150,000 2028

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

The Bonds are non-callable.

Method of Bidding Electronically

Notwithstanding the fact that the County permits receiving bids electronically using SpeerAuction, all bidders must have a signed, but uncompleted, Official Bid Form delivered to Speer Financial, Inc., Suite 608, 531 Commercial Street, Waterloo, Iowa, (319) 291-8628 facsimile, prior to the close of bidding to which a printout of the electronic bid will be attached and delivered to the County.

If bidding electronically, all-or-none bids must be submitted via the internet address www.SpeerAuction.com. The use of SpeerAuction shall be at the bidder's risk and expense and the County shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bids.

To bid via the SpeerAuction webpage, bidders must first visit the SpeerAuction webpage where, if they have not previously registered with either SpeerAuction, Grant Street Group (the "Auction Administrator") or any other website administered by the Auction Administrator, they may register and then request admission to bid on the Bonds. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid electronically.

The "Rules" of the SpeerAuction bidding process may be viewed on the SpeerAuction webpage and are incorporated herein by reference. Bidders must comply with the Rules of SpeerAuction in addition to the requirements of the County's Official Terms of Offering. In the event the Rules of SpeerAuction and this Official Terms of Offering conflict, this Official Terms of Offering shall be controlling.

All electronic bids must be submitted on the SpeerAuction webpage. Electronic bidders may change and submit bids as many times as they choose during the sale period but may not delete a submitted bid. The last bid submitted by an electronic bidder before the deadline for receipt of bids will be compared to all other final bids to determine the winning bidder. During the bidding, no bidder will see any other bidder's bid nor the status of their bid relative to other bids (e.g., whether their bid is a leading bid). The electronic bidder bears all risk of transmission failure. Any questions regarding bidding on the SpeerAuction website should be directed to Grant Street Group at (412) 391-5555 x 370.

Each bidder shall be solely responsible for making necessary arrangements to access SpeerAuction for purposes of submitting its internet bid in a timely manner and in compliance with the requirements of the Terms of Offering. The County is permitting bidders to use the services of the SpeerAuction solely as a communication mechanism to conduct the internet bidding and the SpeerAuction is not an agent of the County. Provisions of the Terms of Offering and Official Bid Form shall control in the event of conflict with information provided by the Internet Bid System.

Electronic Facsimile Bidding: Bids may be submitted via facsimile at (319) 291-8628. Electronic facsimile bids will be sealed and treated as sealed bids. Neither the County nor its agents will assume liability for the inability of the bidder to reach the above named fax numbers prior to the time of sale specified above. Transmissions received after the deadline will be rejected. Bidders electing to submit bids via facsimile transmission bear full and complete responsibility for the transmission of such bid. Neither the County nor its agents will assume responsibility for the inability of the bidder to reach the above specified fax number prior to the time of sale. Time of receipt shall be the time recorded by the person receiving the facsimile and shall be conclusive.

Bidding Parameters and Award of the Bonds

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. The rates bid shall be in non-descending order. The differential between the highest rate bid and the lowest rate bid shall not exceed six percent (6%). All bids must be for all of the Bonds and must be for not less than $6,100,800.

Award of the Bonds: The Bonds will be awarded on the basis of true interest cost, determined in the following manner. True interest cost shall be computed by determining the annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Bonds from the payment dates thereof to the dated date and to the bid price. For the purpose of calculating true interest cost, the Bonds shall be deemed to become due in the principal amounts and at the times set forth in the table of maturities set forth above. In the event two or more qualifying bids produce the identical lowest true interest cost, the winning bid shall be the bid that was submitted first in time on the SpeerAuction webpage or if all such bids are not submitted electronically, the winning bid shall be determined by lot.

The Bonds will be awarded to the bidder complying with the terms of this Official Terms of Offering whose bid produces the lowest true interest cost rate to the County as determined by the County's Registered Municipal Advisor, which determination shall be conclusive and binding on all bidders; provided, that the County reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. Electronic bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the SpeerAuction Observation Page immediately after the bidding.

The premium or discount, if any, is subject to pro rata adjustment if the maturity amounts of the Bonds are changed, maintaining, as close as possible, the same dollar amount of profit per $1,000 bond as bid.

The true interest cost of each electronic bid will be computed by SpeerAuction and reported on the Observation Page of the SpeerAuction webpage immediately following the date and time for receipt of bids. These true interest costs are subject to verification by the County's Municipal Advisor, will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the winning bid. The County or its Municipal Advisor will notify the bidder to whom the Bonds will be awarded, if and when such award is made.

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-36. The winning bidder will be required to pay the standard MSRB charge for Bonds purchased. In addition, the winning bidder who is a member of the Securities Industry and Financial Markets Association ("SIFMA") will be required to pay SIFMA's standard charge per Bond.

Good Faith Deposit and Other Matters

The winning bidder is required to a wire transfer from a solvent bank or trust company to the County's good faith bank the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time as evidence of the good faith of the bidder. Alternatively, a bidder may submit its Deposit upon or prior to the submission of its bid in the form of a certified or cashier's check on, or a wire transfer from, a solvent bank or trust company for **TWO PERCENT OF PAR** payable to the Treasurer of the County. The County reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received within such two hour time period provided that such winning bidder's federal wire reference number has been received. In the event the Deposit is not received as provided above, the County may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award.

If a wire transfer is used for the Deposit, it must be sent according to the following wire instructions:

Amalgamated Bank of Chicago
Corporate Trust
30 North LaSalle Street
38th Floor
Chicago, IL 60602
ABA # 071003405
Credit To: 3281 Speer Bidding Escrow
RE: Winnebago County, Iowa bid for
$6,150,000* General Obligation Urban Renewal Bonds, Series 2024

If the wire shall arrive in such account prior to the date and time of the sale of the Bonds. Contemporaneously with such wire transfer, the prospective purchaser shall send an email to biddingescrow@aboc.com with the following information: (1) indication that a wire transfer has been made, (2) the amount of the wire transfer, (3) the issue to which it applies, and (4) the return wire instructions if such prospective purchaser is not awarded the Bonds. The County and any prospective purchaser who chooses to wire the Deposit hereby agree irrevocably that Speer Financial, Inc. ("Speer") shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: (i) if the bid is not accepted, Speer shall, at its expense, promptly return the Deposit amount to the unsuccessful prospective purchaser; (ii) if the bid is accepted, the Deposit shall be forwarded to the County, (iii) Speer shall bear all costs of maintaining the escrow account and returning the funds to the prospective purchaser; (iv) Speer shall not be an insurer of the Deposit amount and shall have no liability except if it willfully fails to perform, or recklessly disregards, its duties specified herein; and (v) income earned on the Deposit, if any, shall be retained by Speer.

The County covenants and agrees to enter into a written agreement, certificate or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the County for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter.

The Underwriter's obligation to purchase the Bonds shall be conditioned upon the County delivering the Undertaking on or before the date of delivery of the Bonds.

The Bonds will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about September 25, 2024. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the County except failure of performance by the purchaser, the County may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser's interest in and liability for the Bonds will cease.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the County, shall constitute a "Final Official Statement" of the County with respect to the Bonds, as that term is defined in the Rule. By awarding the Bonds to any underwriter or underwriting syndicate, the County agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded, up to 50 copies of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The County shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the County it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

By submission of its bid, the senior managing underwriter of the successful purchaser agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Bonds. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The County will, at its expense, deliver the Bonds to the purchaser in New York, New York (or arrange for "FAST" delivery) through the facilities of DTC and will pay for the bond attorney's opinion. At the time of closing, the County will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Bonds: (1) the legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa, that the Bonds are lawful and enforceable obligations of the County in accordance with their terms; (2) the opinion of said attorneys that the interest on the Bonds is exempt from federal income taxes as and to the extent set forth in the Official Statement for the Bonds; and (3) a no litigation certificate by the County.

The County intends to designate the Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b) (3) of the Internal Revenue Code of 1986, as amended.

Purchaser consents to the receipt of electronic transcripts and acknowledges the County's intended use of electronically executed documents. Iowa Code Chapter 554D establishes electronic signatures have the full weight and legal authority as manual signatures.

The County has authorized the printing and distribution of an Official Statement containing pertinent information relative to the County and the Bonds. Copies of such Official Statement or additional information may be obtained from Karla Weiss, County Auditor, Winnebago County, 126 S. Clark Street, Forest City, Iowa, 50436 or an electronic copy of this Official Statement is available from the www.speerfinancial.com website under "Official Statement Sales/Competitive Calendar" or from the Registered Municipal Advisor to the County, Speer Financial, Inc., 531 Commercial Street, Suite 608, Waterloo, Iowa 50701 (telephone (319) 291-2077), and 230 West Monroe Street, Suite 2630, Chicago, Illinois 60606 (telephone (312) 346-3700).

/s/ **KARLA WEISS**
County Auditor
Winnebago County, Iowa

EXHIBIT A

EXAMPLE ISSUE PRICE CERTIFICATE

$6,150,000
GENERAL OBLIGATION URBAN RENEWAL BONDS, SERIES 2024

Form of ISSUE PRICE CERTIFICATE

(Fewer than 3 Bids)

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ([“[SHORT NAME OF UNDERWRITER]”)][the “Representative”)][, on behalf of itself and [UNDERWRITER OF OTHER UNDERWRITERS] (together, the “Underwriting Group”),] hereby certifies as set forth below with respect to the sale of the obligations named above (the “Bonds”).

1. ***Initial Offering Price of the Bonds***. [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Bonds to the Public for purchase at the specified initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire for the Bonds is attached to this certificate as Schedule B.

2. ***First Price at which Sold to the Public*.** On the Sale Date, at least 10% of each Maturity [listed in Schedule C] was first sold to the Public at the respective Initial Offering Price [or price specified [therein][in Schedule C], if different].

3. ***Hold the Offering Price Rule***. [SHORT NAME OF UNDERWRITER][Each member of the Underwriting Group] has agreed in writing that, (i) for each Maturity less than 10% of which was first sold to the Public at a single price as of the Sale Date, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “Hold-the-Offering-Price Rule”), and (ii) any agreement among underwriters, selling group agreement, or third-party distribution agreement contains the agreement of each underwriter, dealer, or broker-dealer who is a party to such agreement to comply with the Hold-the-Offering-Price Rule. Based on the [Representative][SHORT NAME OF UNDERWRITER]’s own knowledge and, in the case of sales by other Members of the Distribution Group, representations obtained from the other Members of the Distribution Group, no Member of the Distribution Group has offered or sold any such Maturity at a price that is higher than the respective Initial Offering Price during the respective Holding Period.

4. ***Defined Terms***. For purposes of this Issue Price Certificate:

(a) *Holding Period* means the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (September 4, 2024), or (ii) the date on which Members of the Distribution Group have sold at least 10% of such Maturity to the Public at one or more prices, none of which is higher than the Initial Offering Price for such Maturity.

(b) *Issuer* means the Winnebago County, Iowa.

(c) *Maturity* means Bonds with the same credit and payment terms. Any Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate Maturities.

(d) *Member of the Distribution Group* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(e) *Public* means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a "related party" to a Member of the Distribution Group if the Member of the Distribution Group and that person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was August 27, 2024.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDERWRITING FIRM] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Closing Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Dorsey & Whitney LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER][REPRESENTATIVE]

By:___________________________________

Name:__________________________________

Dated: September 10, 2024

SCHEDULE A

INITIAL OFFERING PRICES OF THE BONDS

(*Attached*)

SCHEDULE B

PRICING WIRE

(*Attached*)

SCHEDULE C

SALES OF AT LEAST 10% OF MATURITY TO THE PUBLIC ON THE SALE DATE AT THE INITIAL OFFERING PRICE

(*Attached*)

$6,150,000
GENERAL OBLIGATION URBAN RENEWAL BONDS, SERIES 2024

Form of ISSUE PRICE CERTIFICATE

(3 or More Bids)

The undersigned, on behalf of [NAME OF UNDERWRITER] ("[SHORT NAME OF UNDERWRITER]"), hereby certifies as set forth below with respect to the sale of the obligations named above (the "Bonds").

1. ***Reasonably Expected Initial Offering Price***.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. ***Defined Terms***. For purposes of this Issue Price Certificate:

(a) *Issuer* means Winnebago County, Iowa.

(b) *Maturity* means Bonds with the same credit and payment terms. Any Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Member of the Distribution Group* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(d) *Public* means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a "related party" to a Member of the Distribution Group if the Member of the Distribution Group and that person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was August 27, 2024.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Closing Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Dorsey & Whitney LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By: ___________________________________

Name: _________________________________

Dated: September 10, 2024

SCHEDULE A

EXPECTED OFFERING PRICES

(*Attached*)

SCHEDULE B

COPY OF UNDERWRITER'S BID

(*Attached*)