



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Auditor of State

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NEWS RELEASE

FOR RELEASE

March 12, 2014

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Auditor of State Mary Mosiman today released an audit report on Adams County, Iowa.

The County had local tax revenue of \$8,368,808 for the year ended June 30, 2013, which included \$389,796 in tax credits from the state. The County forwarded \$5,166,091 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$3,202,717 of the local tax revenue to finance County operations, a less than 1% increase over the prior year. Other revenues included charges for service of \$774,243, operating grants, contributions and restricted interest of \$2,497,880, local option sales tax of \$224,368, capital grants, contributions and restricted interest of \$60,473, unrestricted investment earnings of \$18,020 and other general revenues of \$97,776.

Expenses for County operations for the year ended June 30, 2013 totaled \$6,235,327, a 10.9% decrease from the prior year. Expenses included \$2,935,814 for roads and transportation, \$915,405 for public safety and legal services and \$715,431 for administration.

A copy of the audit report is available for review in the County Auditor's office, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1310-0002-B00F.pdf>.

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ADAMS COUNTY
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS
JUNE 30, 2013

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Adams County

Officials

(Before January 2013)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Jerry Peckham (Appointed)	Board of Supervisors	Nov 2012
Karl McCarty	Board of Supervisors	Jan 2013
Douglas Birt	Board of Supervisors	Jan 2015
Linda England	Board of Supervisors	Jan 2015
Phyllis Mullen	Board of Supervisors	Jan 2015
Nancy Carmichael	County Auditor	Jan 2013
Nancy Kempton	County Treasurer	Jan 2015
Mary Miller	County Recorder	Jan 2015
Alan Johannes (Appointed)	County Sheriff	Nov 2012
Duane Golden	County Attorney	Jan 2015
Wesley Ray	County Assessor	Jan 2016

(After January 2013)

Douglas Birt	Board of Supervisors	Jan 2015
Linda England	Board of Supervisors	Jan 2015
Phyllis Mullen	Board of Supervisors	Jan 2015
Merlin Dixon	Board of Supervisors	Jan 2017
Karl McCarty	Board of Supervisors	Jan 2017
Rebecca Bissell	County Auditor	Jan 2017
Nancy Kempton	County Treasurer	Jan 2015
Mary Miller	County Recorder	Jan 2015
Alan Johannes	County Sheriff	Jan 2017
Duane Golden	County Attorney	Jan 2015
Wesley Ray	County Assessor	Jan 2016

Adams County



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Independent Auditor's Report

To the Officials of Adams County:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Adams County, Iowa, as of and for the year ended June 30, 2013, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Adams County as of June 30, 2013, and the respective changes in financial position thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information and the Schedule of Funding Progress for the Retiree Health Plan on pages 9 through 15 and 47 through 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Adams County's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2012 (which are not presented herein) and expressed unqualified opinions on those financial statements. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 25, 2014 on our consideration of Adams County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to 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 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 Adams County's internal control over financial reporting and compliance.


MARY MOSIMAN, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

February 25, 2014

Adams County

MANAGEMENT'S DISCUSSION AND ANALYSIS

Adams 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, 2013. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2013 FINANCIAL HIGHLIGHTS

- Adams County's governmental activities' revenues decreased 4.4%, or approximately \$316,000, from fiscal year 2012 to fiscal year 2013. Property tax increased approximately \$41,000. Capital grants, contributions and restricted interest decreased approximately \$224,000 and operating grants, contributions and restricted interest decreased approximately \$86,000.
- Program expenses of the County's governmental activities were 10.9%, or approximately \$762,000, less in fiscal year 2013 than in fiscal year 2012. Mental health expenses decreased approximately \$322,000 and roads and transportation expenses decreased approximately \$215,000.
- The County's net position increased 9%, or approximately \$710,000, from June 30, 2012 to June 30, 2013.

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 Adams 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 Adams County's operations in more detail than the government-wide financial statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Adams County acts solely as an agent or custodian for the benefit of those outside of County government (Agency Funds).

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

Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year, as well as presenting the Schedule of Funding Progress for the Retiree Health Plan.

Supplementary Information provides detailed information about the nonmajor governmental and the individual Agency 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 and liabilities 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 all of the County's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the County's net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

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

Fund Financial Statements

The County has two kinds of funds:

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

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

2) Fiduciary funds are used to report assets held in a trust or agency capacity for others which cannot be used to support the County's own programs. These fiduciary funds include Agency Funds that account for the County Assessor, Empowerment and CPC case management administration, to name a few.

The required financial statement for fiduciary funds is a Statement of Fiduciary Assets and Liabilities.

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. Adams County's combined net position increased 9% over a year ago, increasing from approximately \$7.9 million to approximately \$8.6 million. The analysis that follows focuses on the net position of governmental activities.

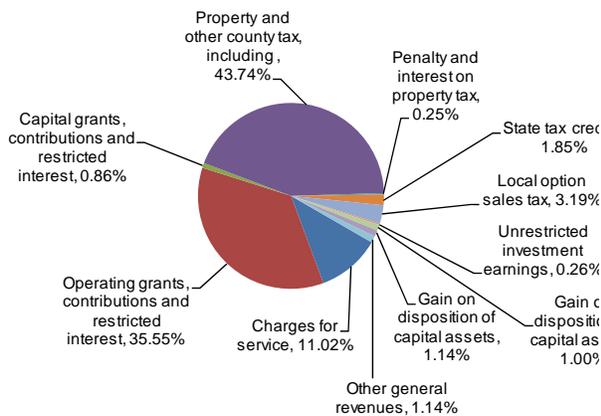
Net Position of Governmental Activities		
	June 30,	
	2013	2012
Current and other assets	\$ 6,723,906	\$ 6,390,785
Capital assets	8,976,765	9,010,263
Total assets	15,700,671	15,401,048
Long-term liabilities	3,935,018	4,194,240
Other liabilities	3,200,170	3,351,550
Total liabilities	7,135,188	7,545,790
Net position:		
Invested in capital assets	8,976,765	9,010,263
Restricted	2,012,660	1,654,330
Unrestricted	(2,423,942)	(2,809,335)
Total net position	\$ 8,565,483	\$ 7,855,258

Net position of Adams County's governmental activities increased 9% (approximately \$8.6 million compared to approximately \$7.9 million). The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment). Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased from a deficit of approximately \$2.8 million at June 30, 2012 to a deficit of approximately \$2.4 million at the end of this year. The deficit of \$2,423,942 is due primarily to urban renewal tax increment revenue bonds of approximately \$2.8 million and local option sales tax revenue bonds of \$745,000 for which the assets acquired by the debt proceeds are not recorded by the County.

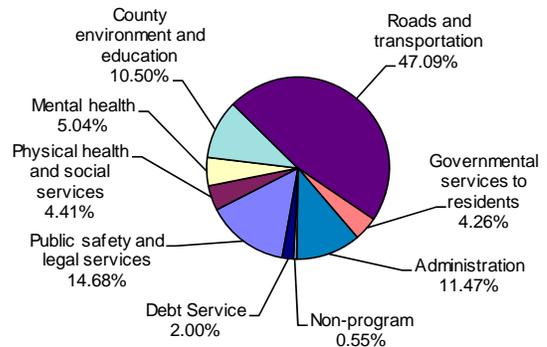
Changes in Net Position of Governmental Activities

	Year ended June 30,	
	2013	2012
Revenues:		
Program revenues:		
Charges for service	\$ 774,243	\$ 929,941
Operating grants, contributions and restricted interest	2,497,880	2,583,639
Capital grants, contributions and restricted interest	60,473	284,627
General revenues:		
Property and other county tax, including tax increment financing	3,072,785	3,031,945
Penalty and interest on property tax	17,335	16,175
State tax credits	129,932	152,386
Local option sales tax	224,368	166,691
Unrestricted investment earnings	18,020	30,619
Gain on disposition of capital assets	70,075	47,782
Other general revenues	80,441	18,109
Total revenues	6,945,552	7,261,914
Program expenses:		
Public safety and legal services	915,405	1,083,071
Physical health and social services	275,041	293,043
Mental health	314,132	636,545
County environment and education	654,538	755,291
Roads and transportation	2,935,814	3,151,277
Governmental services to residents	265,824	200,767
Administration	715,431	683,165
Non-program	34,409	55,617
Debt service	124,733	138,273
Total expenses	6,235,327	6,997,049
Increase in net position	710,225	264,865
Net position beginning of year	7,855,258	7,590,393
Net position end of year	\$ 8,565,483	\$ 7,855,258

Revenues by Source



Expenses by Program



Adams County decreased property tax rates \$.16114 per \$1,000 of taxable valuation for the countywide levy and decreased property tax rates \$.19531 per \$1,000 of taxable valuation for the rural services levy. The fiscal year 2013 Adams County taxable property valuation increased \$13,694,853. The General Assembly allows counties to exceed the statutory maximum levy rate of \$3.50 per \$1,000 of property valuation for the general basic tax levy for property tax when the conditions specified by statute are met. Adams County's general basic tax levy for fiscal year 2013 was \$3.65 per \$1,000 of taxable valuation. The net effect of these changes increased the County's property and other county tax revenue \$40,840 in fiscal year 2013.

INDIVIDUAL MAJOR FUND ANALYSIS

As Adams County completed the year, its governmental funds reported a combined fund balance of approximately \$3.5 million, an increase of \$493,842 from last year's total of approximately \$3.0 million. The increase in the combined fund balance is due primarily to increases in the Special Revenue, Mental Health, Secondary Roads and Local Option Sales Tax Funds. Changes in fund balances of the major funds from the prior year are as follows:

- General Fund revenues decreased \$14,591 and expenditures decreased \$906. The General Fund ending balance increased \$31,352 over the prior year to \$1,771,856.
- The Special Revenue, Mental Health Fund balance at year end increased \$86,664 from the prior year to a deficit balance of \$70,342. Mental Health Fund revenues decreased approximately \$179,000 over the prior year. During the fiscal year, the County received approximately \$131,000 from the State's Transition Fund for one-time assistance with mental health and disability services not funded with Medicaid. This revenue increase was offset by a decrease in mental health property tax relief funding from the State. The County has continued to look for ways to effectively manage the cost of mental health services. For the year, expenditures totaled approximately \$307,966, a decrease of 51.3% from the prior year. This decrease was due to a change in the method the State pays for Medicaid reimbursed services.
- Special Revenue, Rural Services Fund revenues decreased \$16,874. The Rural Services Fund ending balance increased \$56,000 over the prior year to \$326,367. Transfers to the Special Revenue, Secondary Roads Fund increased \$36,420.
- Special Revenue, Secondary Roads Fund revenues increased \$26,848 over the prior year. Secondary Roads Fund expenditures decreased \$146,057. The decrease in expenditures is due to the County spending less on granular surfacing and pavement patching during fiscal year 2013. These changes resulted in an increase of \$143,981 in the Secondary Roads Fund ending balance from fiscal year 2012 to \$863,014.
- Special Revenue, Local Option Sales Tax Fund expenditures decreased \$27,501 from the prior year as the County did not make a contribution to the local opera house as was done in prior fiscal year. Local Option Sales Tax Fund revenues increased \$57,677 over the prior year due to an increase in local option sales tax revenue during fiscal year 2013. These changes resulted in an increase of \$98,616 in the Local Option Sales Tax Fund ending balance from fiscal year 2012 to \$379,768.
- Special Revenue, Urban Renewal Fund revenues decreased \$7,094 from the prior year. Urban Renewal Fund expenditures decreased approximately \$450,000 from the prior year, due principally to extra principal payments made on the TIF debt during fiscal year 2012. These changes resulted in an increase of \$81,084 in the Urban Renewal Fund ending balance from fiscal year 2012 to \$115,931.

BUDGETARY HIGHLIGHTS

The County's actual receipts were \$15,900 less than budgeted, a variance of less than 1%. The variance resulted from the County receiving less charges for service receipts than anticipated.

Total disbursements were \$693,423 less than budgeted. Actual disbursements for the mental health, roads and transportation and public safety and legal services functions were under the budget by \$393,655, \$86,319 and \$72,103, respectively. The variance in the mental health function was a result of the County discontinuing payments on any State of Iowa bills until after the mental health regionalization was completed. The variance in roads and transportation function was due to projects not being as far along as expected. The variance in the public safety and legal services function is the result of lower personnel costs than expected due to a retirement and an unfilled position.

The County exceeded the budgeted amounts in the non-program and debt service functions for the year ended June 30, 2013.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2013, Adams County had approximately \$9.0 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This is a net decrease (including additions and deletions) of approximately \$33,500, or less than 1%, from last year.

Capital Assets of Governmental Activities at Year End		
	June 30,	
	2013	2012
Land	\$ 50,166	50,166
Intangibles, road network	215,100	215,100
Buildings and improvements	1,437,983	1,510,728
Equipment and vehicles	1,800,613	1,609,760
Infrastructure, road network	5,472,903	5,624,509
Total	<u>\$ 8,976,765</u>	<u>9,010,263</u>
This year's major additions included:		
Capital assets contributed by the		
Iowa Department of Transportation	\$ 60,473	
Motor grader	221,340	
Ambulance	166,879	
Total	<u>\$ 448,692</u>	

The County had depreciation expense of \$625,637 in fiscal year 2013 and total accumulated depreciation of \$4,949,953 at June 30, 2013. More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

Long-Term Debt

At June 30, 2013, Adams County had \$3,581,876 of revenue bonds and other debt outstanding, compared to \$3,894,244 at June 30, 2012.

	Outstanding Debt of Governmental Activities at Year-End	
	June 30,	
	2013	2012
Revenue bonds	\$ 3,558,698	3,894,244
Installment purchase agreement	23,178	-
Total	\$ 3,581,876	3,894,244

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. The County has no outstanding general obligation debt as of June 30, 2013. The County's constitutional debt limit is approximately \$23 million. Additional information about the County's long-term debt is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Adams County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2014 budget, tax rates and the fees charged for various County activities. One of those factors is the economy. Adams County's employment (number of persons working) has declined less than 1% over the past 5 years. Total resident employment in 2013 was 2,070 and total resident employment in 2012 was 2,020. Unemployment in the County decreased from 4.9% in 2012 to 3.5% in 2013. This compares with the State's unemployment rate of 4.6% and the national rate of 7.6%.

These indicators were taken into account when adopting the budget for fiscal year 2014. Amounts available for appropriation in the fiscal year 2014 operating budget are \$6,844,718, a decrease of 1.2% from the final fiscal year 2013 budget.

If these estimates are realized, the County's budgetary operating balance is expected to decrease from \$3,023,605 to \$2,365,957 by the close of fiscal year 2014.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Adams 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 Adams County Auditor's Office, 500 9th Street, Corning, Iowa, 50841.

Adams County

Basic Financial Statements

Exhibit A

Adams County
Statement of Net Position
June 30, 2013

	<u>Governmental Activities</u>
Assets	
Cash and pooled investments	\$ 3,561,048
Receivables:	
Property tax:	
Delinquent	1,735
Succeeding year	2,371,000
Succeeding year tax increment financing	390,000
Accounts	30,098
Due from other governments	263,692
Inventories	106,333
Capital assets, net of accumulated depreciation	8,976,765
Total assets	<u>15,700,671</u>
Liabilities	
Accounts payable	89,907
Salaries and benefits payable	21,078
Due to other governments	328,185
Deferred revenue:	
Succeeding year property tax	2,371,000
Succeeding year tax increment financing	390,000
Long-term liabilities:	
Portion due or payable within one year:	
Installment purchase agreement	7,726
Revenue bonds	346,773
Compensated absences	39,781
Portion due or payable after one year:	
Installment purchase agreement	15,452
Revenue bonds	3,211,925
Compensated absences	201,361
Net OPEB liability	112,000
Total liabilities	<u>7,135,188</u>
Net Position	
Net investment in capital assets	8,976,765
Restricted for:	
Supplemental levy	687,150
Rural services	326,371
Secondary roads purposes	706,006
Conservation land acquisition/capital improvements	95,190
Water agreement	62,500
Debt service	322
Other purposes	135,121
Unrestricted	(2,423,942)
Total net position	<u>\$ 8,565,483</u>

See notes to financial statements.

Adams County

Statement of Activities

Year ended June 30, 2013

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Service	Contributions and Restricted Interest	Contributions and Restricted Interest	
Functions/Programs:					
Governmental activities:					
Public safety and legal services	\$ 915,405	333,285	7,078	-	(575,042)
Physical health and social services	275,041	19,236	100,390	-	(155,415)
Mental health	314,132	9,064	202,838	-	(102,230)
County environment and education	654,538	225,640	45,238	-	(383,660)
Roads and transportation	2,935,814	20,059	2,132,285	60,473	(722,997)
Governmental services to residents	265,824	86,187	10,051	-	(169,586)
Administration	715,431	5,225	-	-	(710,206)
Non-program	34,409	75,547	-	-	41,138
Debt service	124,733	-	-	-	(124,733)
Total	\$ 6,235,327	774,243	2,497,880	60,473	(2,902,731)
General Revenues:					
Property and other county tax levied for general purposes					2,626,010
Tax increment financing					446,775
Penalty and interest on property tax					17,335
State tax credits					129,932
Local option sales tax					224,368
Unrestricted investment earnings					18,020
Gain on disposition of capital assets					70,075
Miscellaneous					80,441
Total general revenues					3,612,956
Change in net position					710,225
Net position beginning of year					7,855,258
Net position end of year					\$ 8,565,483

See notes to financial statements.

Adams County
Balance Sheet
Governmental Funds

Year ended June 30, 2013

	General	Mental Health	Rural Services
Assets			
Cash and pooled investments	\$ 1,740,600	260,510	326,938
Receivables:			
Property tax:			
Delinquent	1,675	56	4
Succeeding year	1,520,000	178,000	673,000
Succeeding year tax increment financing	-	-	-
Accounts	21,283	-	1,325
Due from other governments	49,562	5,172	-
Inventories	-	-	-
Total assets	\$ 3,333,120	443,738	1,001,267
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 39,589	12,376	1,896
Salaries and benefits payable	-	102	-
Due to other governments	-	323,546	-
Deferred revenue:			
Succeeding year property tax	1,520,000	178,000	673,000
Succeeding year tax increment financing	-	-	-
Other	1,675	56	4
Total liabilities	1,561,264	514,080	674,900
Fund balances:			
Nonspendable:			
Inventories	-	-	-
Restricted for:			
Supplemental levy purposes	686,930	-	-
Rural services purposes	-	-	326,367
Secondary roads purposes	-	-	-
SIRWA water grid	62,500	-	-
Local option sales tax	-	-	-
Urban renewal	-	-	-
Debt service	-	-	-
Conservation land acquisition/capital improvements	95,190	-	-
Other purposes	-	-	-
Unassigned	927,236	(70,342)	-
Total fund balances	1,771,856	(70,342)	326,367
Total liabilities and fund balances	\$ 3,333,120	443,738	1,001,267

See notes to financial statements

Special Revenue				
Secondary Roads	Local Option Sales Tax	Urban Renewal	Nonmajor	Total
637,654	343,972	115,931	135,443	3,561,048
-	-	-	-	1,735
-	-	-	-	2,371,000
-	-	390,000	-	390,000
7,490	-	-	-	30,098
173,162	35,796	-	-	263,692
106,333	-	-	-	106,333
924,639	379,768	505,931	135,443	6,723,906
36,010	-	-	36	89,907
20,976	-	-	-	21,078
4,639	-	-	-	328,185
-	-	-	-	2,371,000
-	-	390,000	-	390,000
-	-	-	-	1,735
61,625	-	390,000	36	3,201,905
106,333	-	-	-	106,333
-	-	-	-	686,930
-	-	-	-	326,367
756,681	-	-	-	756,681
-	-	-	-	62,500
-	379,768	-	-	379,768
-	-	115,931	-	115,931
-	-	-	96,772	96,772
-	-	-	-	95,190
-	-	-	38,671	38,671
-	-	-	(36)	856,858
863,014	379,768	115,931	135,407	3,522,001
924,639	379,768	505,931	135,443	6,723,906

Adams County

Adams County

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

June 30, 2013

Total governmental fund balances (page 21) \$ 3,522,001

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$13,926,718 and the accumulated depreciation is \$4,949,953. 8,976,765

Other long-term assets are not available to pay current year expenditures and, therefore, are deferred in the governmental funds. 1,735

Long-term liabilities, including the installment purchase agreement, urban renewal tax increment revenue bonds, local option sales tax revenue bonds, compensated absences and other postemployment benefits payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (3,935,018)

Net position of governmental activities (page 16) \$ 8,565,483

See notes to financial statements.

Adams County

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

Year ended June 30, 2013

	General	Mental Health	Rural Services
Revenues:			
Property and other county tax	\$ 1,649,033	182,524	794,220
Interest and penalty on property tax	17,379	-	-
Tax increment financing	-	-	-
Local option sales tax	-	-	-
Intergovernmental	562,943	212,106	39,687
Licenses and permits	1,886	-	12,500
Charges for service	341,474	-	2,100
Use of money and property	97,105	-	-
Miscellaneous	34,076	-	-
Total revenues	<u>2,703,896</u>	<u>394,630</u>	<u>848,507</u>
Expenditures:			
Operating:			
Public safety and legal services	1,001,053	-	10,000
Physical health and social services	243,619	-	25,450
Mental health	-	307,966	-
County environment and education	452,668	-	60,296
Roads and transportation	-	-	-
Governmental services to residents	291,481	-	1,869
Administration	698,109	-	-
Non-program	34,409	-	-
Debt service	-	-	-
Capital projects	5,383	-	-
Total expenditures	<u>2,726,722</u>	<u>307,966</u>	<u>97,615</u>
Excess (deficiency) of revenues over (under) expenditures	(22,826)	86,664	750,892
Other financing sources (uses):			
Installment purchase agreement	54,178	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	(694,892)
Total other financing sources (uses)	<u>54,178</u>	<u>-</u>	<u>(694,892)</u>
Change in fund balances	31,352	86,664	56,000
Fund balances beginning of year	1,740,504	(157,006)	270,367
Fund balances end of year	<u>\$ 1,771,856</u>	<u>(70,342)</u>	<u>326,367</u>

See notes to financial statements.

Special Revenue				
Secondary Roads	Local Option Sales Tax	Urban Renewal	Nonmajor	Total
-	-	-	-	2,625,777
-	-	-	-	17,379
-	-	446,775	-	446,775
-	224,368	-	-	224,368
2,106,615	25,220	-	7,954	2,954,525
2,100	-	-	-	16,486
25	-	-	1,001	344,600
2,139	-	615	93	99,952
60,407	-	-	-	94,483
<u>2,171,286</u>	<u>249,588</u>	<u>447,390</u>	<u>9,048</u>	<u>6,824,345</u>
-	-	-	36	1,011,089
-	-	-	-	269,069
-	-	-	-	307,966
-	56,499	-	-	569,463
2,710,813	-	-	-	2,710,813
-	-	-	-	293,350
-	-	-	12,867	710,976
-	-	-	-	34,409
-	-	366,306	93,973	460,279
11,384	500	-	-	17,267
<u>2,722,197</u>	<u>56,999</u>	<u>366,306</u>	<u>106,876</u>	<u>6,384,681</u>
(550,911)	192,589	81,084	(97,828)	439,664
-	-	-	-	54,178
694,892	-	-	93,973	788,865
-	(93,973)	-	-	(788,865)
<u>694,892</u>	<u>(93,973)</u>	<u>-</u>	<u>93,973</u>	<u>54,178</u>
143,981	98,616	81,084	(3,855)	493,842
719,033	281,152	34,847	139,262	3,028,159
<u>863,014</u>	<u>379,768</u>	<u>115,931</u>	<u>135,407</u>	<u>3,522,001</u>

Adams County

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

Year ended June 30, 2013

Change in fund balances - Total governmental funds (page 25) \$ 493,842

***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 expense to allocate those expenditures over the life of the assets. Depreciation expense exceeded capital outlay expenditures and contributed capital assets in the current year, as follows:

Expenditures for capital assets	\$ 461,591	
Capital assets contributed by the Iowa Department of Transportation	60,473	
Depreciation expense	<u>(625,637)</u>	(103,573)

In the Statement of Activities, the gain on disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources. 70,075

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

Property tax	233	
Other	<u>(9,574)</u>	(9,341)

Proceeds from issuing long-term liabilities provide current financial resources to government 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	(54,178)	
Repaid	<u>366,546</u>	312,368

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Compensated absences	(16,146)	
Other postemployment benefits	<u>(37,000)</u>	<u>(53,146)</u>

Change in net position of governmental activities (page 19) \$ 710,225

See notes to financial statements.

Adams County
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2013

Assets

Cash and pooled investments:	
County Treasurer	\$ 585,761
Other County officials	12,699
Receivables:	
Property tax:	
Delinquent	2,441
Succeeding year	4,880,000
Accrued interest	87
Special assessments	435
Due from other governments	78,718
Total assets	5,560,141

Liabilities

Accounts payable	11,520
Due to other governments	5,480,034
Trusts payable	7,882
Compensated absences	60,705
Total liabilities	5,560,141

Net position	\$ -
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See notes to financial statements.

Adams County

Notes to Financial Statements

June 30, 2013

(1) Summary of Significant Accounting Policies

Adams 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, Adams County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County. The County has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Adams County Assessor's Conference Board, Adams County Emergency Management Commission and the South Central Iowa Regional E911 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 Agency Funds of the County.

The County also participates in the following jointly governed organizations: Creston Cluster Decat Program, Adams and Taylor Counties Regional Service Agency, Mental Health Services Coordinator Board, South Iowa Area Detention Service Agency and Adams, Taylor and Union County Medicaid Case Management Board.

B. Basis of Presentation

Government-wide Financial Statements – The Statement of Net Position (previously referred to as net assets) and the Statement of Activities report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenues and other nonexchange transactions.

The Statement of Net Position presents the County’s nonfiduciary assets and liabilities, with the difference reported as net position. Net position is reported in three categories.

Net investment in capital assets consists of capital assets, net of accumulated depreciation.

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 two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

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

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

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

The Local Option Sales Tax Fund is used to account for the revenues from the tax authorized by referendum and used to make payments on the local option sales tax revenue bonds, with any remaining revenues used for any lawful purpose determined by the Board of Supervisors.

The Urban Renewal Fund receives revenues from a tax authorized by ordinance in the urban renewal district for repayment of tax increment financing indebtedness.

Additionally, the County reports the following funds:

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

The 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, Liabilities and Fund Equity

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

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

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2011 assessed property valuations; is for the tax accrual period July 1, 2012 through June 30, 2013 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2012.

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

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

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

Capital Assets – Capital assets, which include property, 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 County), are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. 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. 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.

Asset Class	Amount
Infrastructure and buildings	\$ 50,000
Land	10,000
Intangibles	50,000
Equipment and vehicles	5,000

Capital assets of the County are depreciated using the straight line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (In Years)
Buildings and infrastructure	20 - 100
Intangibles	5 - 20
Equipment and vehicles	3 - 30

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

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

Deferred 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. Deferred 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 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 revenue consists of unspent grant proceeds as well as property tax receivable and other receivables not collected within sixty days after year end.

Deferred revenue in the Statement of Net Position consists of succeeding year property tax receivable which will not be recognized as revenue until the year for which it is levied.

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. Accumulated sick leave is paid at 50%, not to exceed 360 hours, upon retirement or death. 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, 2013. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Secondary Roads Fund.

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

Fund Equity – 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.

Unassigned – All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2013, disbursements exceeded the amounts budgeted in the non-program and debt service functions.

(2) Cash and Pooled Investments

The County's deposits in banks at June 30, 2013 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 insure there will be no loss of public funds.

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

The County had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 3, as amended by Statement No. 40.

(3) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2013 is as follows:

Transfer to	Transfer from	Amount
Special Revenue:	Special Revenue:	
Secondary Roads	Rural Services	\$ 694,892
Aquatic Center Sinking	Local Option Sales Tax	93,973
Total		<u>\$ 788,865</u>

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

(4) Capital Assets

Capital assets activity for the year ended June 30, 2013 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 50,166	-	-	50,166
Construction in progress	-	143,868	-	143,868
Intangibles, road network	215,100	-	-	215,100
Total capital assets not being depreciated	<u>265,266</u>	<u>143,868</u>	<u>-</u>	<u>409,134</u>
Capital assets being depreciated:				
Buildings	2,909,328	-	-	2,909,328
Equipment and vehicles	3,573,282	476,344	(317,508)	3,732,118
Infrastructure, road network	6,864,586	11,552	-	6,876,138
Total capital assets being depreciated	<u>13,347,196</u>	<u>487,896</u>	<u>(317,508)</u>	<u>13,517,584</u>
Less accumulated depreciation for:				
Buildings	1,398,600	72,745	-	1,471,345
Equipment and vehicles	1,963,522	245,866	(277,883)	1,931,505
Infrastructure, road network	1,240,077	307,026	-	1,547,103
Total accumulated depreciation	<u>4,602,199</u>	<u>625,637</u>	<u>(277,883)</u>	<u>4,949,953</u>
Total capital assets being depreciated, net	<u>8,744,997</u>	<u>(137,741)</u>	<u>(39,625)</u>	<u>8,567,631</u>
Governmental activities capital assets, net	<u>\$ 9,010,263</u>	<u>6,127</u>	<u>(39,625)</u>	<u>8,976,765</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 75,591
Physical health and social services	5,972
County environment and education	84,027
Roads and transportation	452,844
Administration	7,203
Total depreciation expense - governmental activities	<u>\$ 625,637</u>

(5) Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2013 is as follows:

Fund	Description	Amount
Special Revenue:		
Mental Health	Services	\$ 323,546
Secondary Roads	Services	4,639
Total for governmental funds		<u>\$ 328,185</u>
Agency:		
Agricultural Extension Education	Collections	\$ 79,758
County Assessor		408,015
Schools		3,806,002
Community Colleges		210,121
Corporations		629,293
Townships		123,488
Auto License and Use Tax		125,936
All other		97,421
Total for agency funds		<u>\$ 5,480,034</u>

(6) Changes in Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2013 is as follows:

	Installment Purchase Agreement	Urban Renewal Tax Revenue Bonds	Local Option Sales Tax Revenue Bonds	Compensated Absences	Net OPEB Liability	Total
Balance beginning of year	\$ -	3,089,244	805,000	224,996	75,000	4,194,240
Increases	54,178	-	-	77,000	44,000	175,178
Decreases	31,000	275,546	60,000	60,854	7,000	434,400
Balance end of year	<u>\$ 23,178</u>	<u>2,813,698</u>	<u>745,000</u>	<u>241,142</u>	<u>112,000</u>	<u>3,935,018</u>
Due within one year	<u>\$ 7,726</u>	<u>286,773</u>	<u>60,000</u>	<u>39,781</u>	<u>-</u>	<u>394,280</u>

Installment Purchase Agreement

The County has entered into no interest installment purchase agreement to purchase voting equipment.

A summary of the installment purchase agreement is as follows:

Year ending June 30,	Voting Equipment
2014	\$ 7,726
2015	7,726
2016	7,726
Total	<u>\$ 23,178</u>

Urban Renewal Tax Increment Revenue Bonds

The County sold \$2,400,000 and \$1,660,000 of urban renewal tax increment (TIF) revenue bonds dated January 26, 2007 and February 13, 2007, respectively. The bonds bear interest at 2.9% per annum with final maturity on December 1, 2021. On June 1, 2016 and June 1, 2021, the interest rate on the bonds shall be adjusted to a rate 130 basis points higher than the five year U.S. Treasury rate as published in the Wall Street Journal. Principal and interest on the bonds shall be payable in semi annual payments of \$108,268 and \$74,885, respectively, on June 1 and December 1, beginning December 1, 2009 and continuing through a final payment of all remaining principal and interest on December 1, 2021.

The County reserves the right to call and prepay any principal amount of these bonds at any time upon the County giving notice by registered or certified mail to the purchaser or other registered holder not less than thirty days prior to the date set for prepayment.

The County has covenanted it will call and prepay any principal amounts of these bonds on June 1 of each year in an amount equal to the balance of funds remaining in the Special Revenue, Urban Renewal Fund after the then current June 1 payments of principal and interest have been made.

Formal repayment schedules have been established for the urban renewal tax increment revenue bonds. However, these are subject to change depending on the County’s right to prepay these bonds at any time and the adjustable interest rate.

Details of the County’s June 30, 2013 urban renewal tax increment revenue bond indebtedness are as follows:

Year Ending June 30,	Series 2006			Series 2007			Total		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest	Principal	Interest	Total
2014	2.90%	\$ 168,279	48,256	2.90%	\$ 118,494	31,277	286,773	79,533	366,306
2015	2.90	173,195	43,341	2.90	121,955	27,815	295,150	71,156	366,306
2016	2.90	178,254	38,282	2.90	125,518	24,253	303,772	62,535	366,307
2017	2.90	183,461	33,075	2.90	129,184	20,587	312,645	53,662	366,307
2018	2.90	188,820	27,717	2.90	132,957	16,813	321,777	44,530	366,307
2019-2022	2.90	813,774	54,075	2.90	479,807	27,509	1,293,581	81,584	1,375,165
Total		\$ 1,705,783	244,746		\$ 1,107,915	148,254	2,813,698	393,000	3,206,698

The urban renewal tax increment revenue bonds were issued for the purpose of paying costs of an urban renewal project to improve certain county roads, provide an economic development grant to Pinnacle Ethanol, LLC and Corning Municipal Utilities and pay capitalized interest and costs of issuance of the bonds. The bonds are payable solely from the income and proceeds of the urban renewal project in accordance with Chapter 403.19 of Code of Iowa. TIF receipts are generally projected to produce 100% of the debt service requirements over the life of the bonds. The proceeds of the bonds shall be expended only for purposes consistent with the plans of the County’s urban renewal area. The total principal and interest remaining on the bonds is \$3,206,698, payable through fiscal year 2022. For the current year, principal and interest paid and tax increment receipts were \$366,306 and \$446,775, respectively. The bonds are not a general obligation of the County, but the debt is subject to the constitutional debt limitation of the County. The resolution providing for the issuance of the bonds includes the following provisions:

- (a) The bonds will only be redeemed from the urban renewal tax increment revenue received by the County. The County accounts for this activity within the Special Revenue, Urban Renewal Fund.
- (b) The first \$1,500,000 of bond proceeds shall be used to fully fund the water grant for the City of Corning. The next \$520,000 of bond proceeds shall be used by the County to pay the costs of highway improvements. Next, sufficient bond proceeds shall be set aside to pay the costs of issuance of the bonds and to make provision for the payment of interest on the bonds through December 1, 2009. Finally, any remaining bond proceeds shall be used to fund an initial installment of the Pinnacle Ethanol, LLC grant.

During the year ended June 30, 2013, the County was in compliance with the revenue bond provisions.

Local Option Sales Tax Revenue Bonds

The County issued local option sales tax revenue bonds for a joint project with the City of Corning under a 28E agreement. The County has pledged future local option sales tax receipts to repay \$1,025,000 of local option sales tax revenue bonds, Series 2008 issued in July 2008. Proceeds from the bonds provided financing for an Aquatic Center in Corning to be operated by the City of Corning under a 28E Joint Operation Agreement. The bonds are payable solely from the proceeds of the local option sales tax received by the County and \$25,220 per year to be received from the City of Corning in accordance with the 28E Joint Operation Agreement and Chapters 423B.9(3) and 384.83 of the Code of Iowa and are payable through 2023. Total principal and interest remaining to be paid on the bonds is \$936,118. For the current year, principal and interest paid and total collections were \$93,973 and \$224,368, respectively.

Under the 28E agreement, the City of Corning agreed to remit \$25,220 to the County on or before May 1, 2009 and on or before May 1 of each year until and including May 1, 2023. The City of Corning acknowledges if the revenues received by the City for its local option sales tax are not sufficient to pay the obligated portion under this agreement in one or more of the years outlined above, the City agrees interest on the unpaid amount shall accrue at the rate of 4.26% per annum until paid and all such shortfalls shall become due on the final maturity date of the County's local option sales tax revenue bonds.

Details of County's June 30, 2013 local option sales tax revenue bonds is as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2014	3.70%	\$ 60,000	31,843	91,843
2015	3.95	65,000	29,622	94,622
2016	4.10	65,000	27,055	92,055
2017	4.20	70,000	24,390	94,390
2018	4.25	75,000	21,450	96,450
2019-2022	4.35-4.55	410,000	56,758	466,758
Total		\$ 745,000	191,118	936,118

The resolution providing for the issuance of the local option sales tax revenue bonds includes the following provisions:

- (a) The bonds will only be redeemed from the future local option sales tax revenue received by the County and the bond holders hold a lien on the future revenues received.
- (b) A local option sales tax revenue bond sinking account shall be established and sufficient monthly deposits shall be made to the sinking account for the purpose of making bond principal and interest payments when due.
- (c) A local option sales tax revenue bond reserve account shall be established and monthly deposits to the reserve account equal to 25% of the amount required to be deposited into the sinking account shall be made until \$96,450 has been accumulated. This account is restricted for the purpose of correcting any deficiencies in the sinking account.

During the year ended June 30, 2013, the County was in compliance with the revenue bond provisions.

(7) Pension and Retirement Benefits

The County contributes to the Iowa Public Employees' Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Most regular plan members are required to contribute 5.78% of their annual covered salary and the County is required to contribute 8.67% of covered salary. Certain employees in special risk occupations and the County contribute an actuarially determined contribution rate. Contribution requirements are established by State statute. The County's contributions to IPERS for the years ended June 30, 2013, 2012 and 2011 were \$198,032, \$180,971 and \$155,286, respectively, equal to the required contributions for each year.

(8) Other Postemployment Benefits (OPEB)

Plan Description – The County operates a single-employer retiree benefit plan which provides medical benefits for employees, retirees and their spouses. There are 48 active and no retired members in the plan. Retired participants must be age 55 or age 50 with 22 years of service at retirement.

The medical benefits are provided through a fully-insured plan with Wellmark. Retirees under age 65 would pay the same premium for the medical/prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Funding Policy – The contribution requirements of plan members are established and may be amended by the County. The County currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation – The County's annual OPEB cost is calculated based on the annual required contribution (ARC) of the County, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding which, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the County's annual OPEB cost for the year ended June 30, 2013, the amount actually contributed to the plan and changes in the County's net OPEB obligation:

Annual required contribution	\$ 44,000
Interest on net OPEB obligation	3,000
Adjustment to annual required contribution	<u>(3,000)</u>
Annual OPEB cost	44,000
Contributions made	<u>(7,000)</u>
Increase in net OPEB obligation	37,000
Net OPEB obligation beginning of year	<u>75,000</u>
Net OPEB obligation end of year	<u>\$ 112,000</u>

For the year ended June 30, 2013, the County contributed \$7,000 to the medical plan and there were no contributions from plan members eligible for benefits.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation are summarized as follows:

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 41,000	40.6%	\$ 51,000
2012	41,000	41.5	75,000
2013	44,000	15.9	112,000

Funded Status and Funding Progress – As of June 30, 2013, the actuarial accrued liability was \$246,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$246,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$1,600,000 and the ratio of the UAAL to covered payroll was 15.4%. As of June 30, 2013, there were no trust fund assets.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for the Retiree Health Plan, presented as Required Supplementary Information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2012 valuation date, a simplified version of the unit credit actuarial cost method was used. The assumptions include a 4% discount rate based on the County's funding policy. The projected annual medical trend rate is 9%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 0.5% each year until reaching the 5% ultimate trend rate. An inflation rate of 3% is assumed for the purpose of this computation.

Mortality rates are from the RP2000 Group Annuity Mortality Table, projected to 2010 using scale AA. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2010 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2010.

Projected claim costs of the medical plan are \$1,125 per month for retirees less than age 65. The salary increase rate was assumed to be 3% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

(9) Risk Management

The County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 679 members from various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual 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 due and payable in the current 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 to equal 150% of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, all of which are due and payable in the current 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 risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's contributions to the Pool for the year ended June 30, 2013 were \$125,234.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured in an amount not to exceed \$2,650,000 per claim. For members requiring specific coverage from \$3,000,000 to \$15,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location, with excess coverage reinsured by The Lexington Insurance Company.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. 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, 2013, no liability has been recorded in the County's financial statements. As of June 30, 2013, 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 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. Members withdrawing within the first six years of membership may receive a partial refund of their capital contributions. If a member withdraws after the sixth year, the member is refunded 100% of its capital contributions. However, the refund is reduced by an amount equal to the annual operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

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.

(10) Industrial Development Revenue Bonds

The County has issued a total of \$1,895,000 of industrial development revenue bonds under the provisions of Chapter 419 of the Code of Iowa, of which \$840,000 is outstanding at June 30, 2013. The bonds and related interest are payable solely from the rents payable by the tenants of the properties constructed and the bond principal and interest do not constitute liabilities of the County.

(11) Southern Iowa Rural Water Association (SIRWA) Agreement

On May 23, 2005, the County entered into a 28E agreement with SIRWA and nine other counties to provide joint financing of certain water development facilities at Gooseberry Lake to enable SIRWA to withdraw water sufficient to supply treated water to portions of SIRWA's rural water distribution system. Pursuant to the agreement, SIRWA planned to obtain a loan for \$500,000 to cover the initial costs. Liability for repayment of the loan was to be borne by the respective parties (counties) to the agreement. The County's share of the debt is 12.5%, or \$62,500. Each participant was required to establish a SIRWA Grid Sinking and Reserve Fund, into which sufficient funds to pay the principal and interest on the loan were to be deposited from the County's General Fund. During the year ended June 30, 2010, the County was informed the project would not proceed and the 28E agreement with SIRWA would be dissolved. The County is waiting for the final dissolution of the 28E agreement and formal termination of the project and will then reassign the balance of the funds set aside to the General Fund.

(12) Loan Guarantee Agreement

Cooperative corporations identified in the agreement made loans to the Corning Open House Cultural Center, an Iowa non-profit corporation, in aggregate not to exceed \$400,000 to be repayable over five years at 2% interest per annum for use in renovating the historic opera house in Corning.

Chapter 15A of the Code of Iowa authorizes counties to provide financial assistance, including guarantees for economic development as may be necessary.

On April 11, 2011, the County agreed to guarantee repayment of \$400,000 of the aggregate Cooperative loan amount.

(13) Jointly Governed Organization

The County participates in the Mental Health Services Coordinator Board and Adams, Taylor and Union County Medicaid Case Management Board, jointly governed organizations formed pursuant to the provisions of Chapter 28E of the Code of Iowa. Financial transactions of these organizations are included in the County's financial statements as part of the Other Agency Funds because of the County's fiduciary relationship with the organizations. The following financial data is for the year ended June 30, 2013:

Mental Health Services Coordinator Board

Additions:		
Contributions from governmental units:		
Adams County	\$	17,331
Adair County		31,511
Clarke County		34,662
Union County		47,266
Taylor County		24,493
		<u>\$ 155,263</u>
Deductions:		
Direct administration:		
Salaries		109,617
Benefits		39,680
Case management:		
Rent		627
Office supplies		1,679
Telephone		2,893
Travel and training		3,603
		<u>158,099</u>
Net		(2,836)
Balance beginning of year		<u>(18,451)</u>
Balance end of year		<u><u>\$ (21,287)</u></u>

Adams, Taylor and Union County Medicaid Case Management Board

Additions:

Federal grants and entitlements:

Medicaid case management \$ 451,582

Deductions:

Direct administration:

Salaries \$ 300,843

Benefits 106,889

Case management:

Rent 1,500

Office supplies 3,109

Telephone 6,670

Travel and training 23,876

Administrative 508

Equipment 11,437 454,832

Net (3,250)

Balance beginning of year 132,723

Balance end of year \$ 129,473

(14) Deficit Fund Balances

The Special Revenue, Mental Health and County Attorney Forfeiture Funds have deficit fund balances of \$70,342 and \$36, respectively, at June 30, 2013. The deficit balances will be eliminated through the future collection of property tax and state revenues.

(15) Early Childhood Iowa Area Board

The County is the fiscal agent for the Early Childhood Iowa Area Board, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. The Area Board receives state grants to administer early childhood and school ready programs. Financial transactions of the Area Board are included in the County's financial statements as part of the Other Agency Funds because of the County's fiduciary relationship with the organization. The Area Board's financial data for the year ended June 30, 2013 is as follows:

	Early Childhood	School Ready	Total
Revenues:			
State grants:			
Early childhood	\$ 4,248	-	4,248
Family support and parent education	-	33,692	33,692
Preschool support for low-income families	-	14,793	14,793
Quality improvement	-	32,396	32,396
Allocation for administration	224	2,588	2,812
Other grant programs	-	2,839	2,839
Total state grants	4,472	86,308	90,780
Interest on investments	9	167	176
Total revenues	4,481	86,475	90,956
Expenditures:			
Program services:			
Early childhood	6,670	-	6,670
Family support and parent education	-	33,117	33,117
Preschool support for low income families	-	13,961	13,961
Quality improvement	-	32,721	32,721
Other program services	-	2,424	2,424
Total program services	6,670	82,223	88,893
Administration		3,358	3,358
Total expenditures	6,670	85,581	92,251
Change in fund balance	(2,189)	894	(1,295)
Fund balance beginning of year	725	17,637	18,362
Fund balance end of year	\$ (1,464)	18,531	17,067

Findings related to the operations of the Early Childhood Iowa Area Board are included as item D in the Schedule of Findings.

Adams County

Required Supplementary Information

Adams County

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

Required Supplementary Information

Year ended June 30, 2013

	Actual	Original/ Final Budget	Final to Actual Variance
Receipts:			
Property and other county tax	\$ 3,266,212	3,296,711	(30,499)
Interest and penalty on property tax	17,379	12,600	4,779
Intergovernmental	2,883,088	2,910,141	(27,053)
Licenses and permits	14,113	10,200	3,913
Charges for service	365,213	396,080	(30,867)
Use of money and property	97,459	115,988	(18,529)
Miscellaneous	117,476	35,120	82,356
Total receipts	<u>6,760,940</u>	<u>6,776,840</u>	<u>(15,900)</u>
Disbursements:			
Public safety and legal services	1,010,405	1,082,508	72,103
Physical health and social services	280,488	290,054	9,566
Mental health	181,874	575,529	393,655
County environment and education	578,771	649,559	70,788
Roads and transportation	2,711,981	2,798,300	86,319
Governmental services to residents	239,134	254,005	14,871
Administration	714,784	746,878	32,094
Non-program	35,003	32,266	(2,737)
Debt service	462,279	460,280	(1,999)
Capital projects	16,737	35,500	18,763
Total disbursements	<u>6,231,456</u>	<u>6,924,879</u>	<u>693,423</u>
Excess (deficiency) of receipts over (under) disbursements	529,484	(148,039)	677,523
Balance beginning of year	3,031,564	2,351,063	680,501
Balance end of year	<u>\$ 3,561,048</u>	<u>2,203,024</u>	<u>1,358,024</u>

See accompanying independent auditor's report.

Adams County

Budgetary Comparison Schedule - Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2013

	Governmental Funds		
	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis
Revenues	\$ 6,760,940	63,405	6,824,345
Expenditures	6,231,456	153,225	6,384,681
Net	529,484	(89,820)	439,664
Other financing sources, net	-	54,178	54,178
Beginning fund balances	3,031,564	(3,405)	3,028,159
Ending fund balances	\$ 3,561,048	(39,047)	3,522,001

See accompanying independent auditor's report.

Adams County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2013

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

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

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2013, disbursements exceeded the amounts budgeted in the non-program and debt service functions.

Adams County

Schedule of Funding Progress for the
Retiree Health Plan
(In Thousands)

Required Supplementary Information

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	July 1, 2009	-	\$ 245	245	0.0%	\$ 1,920	12.8%
2011	July 1, 2009	-	243	243	0.0	1,960	12.4
2012	July 1, 2009	-	243	243	0.0	2,000	12.2
2013	July 1, 2012	-	246	246	0.0	1,600	15.4

See Note 8 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB costs, net OPEB obligation, funded status and funding progress.

See accompanying independent auditor's report.

Supplementary Information

Adams County
 Combining Balance Sheet
 Nonmajor Governmental Funds

June 30, 2013

	Special Revenue		
	County Recorder's Records Management	Resource Enhancement and Protection	Law Enforcement Forfeiture
Assets			
Cash and pooled investments	\$ 7,051	19,195	12,425
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ -	-	-
Fund balances:			
Restricted for:			
Debt service	-	-	-
Other purposes	7,051	19,195	12,425
Unassigned	-	-	-
Total fund balances	7,051	19,195	12,425
Total liabilities and fund balances	\$ 7,051	19,195	12,425

See accompanying independent auditor's report.

County Attorney Forfeiture	Aquatic Center Reserve	Debt Service	Total
-	96,450	322	135,443
36	-	-	36
-	96,450	322	96,772
-	-	-	38,671
(36)	-	-	(36)
(36)	96,450	322	135,407
-	96,450	322	135,443

Adams County

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

Year ended June 30, 2013

	County Recorder's Records Management	Resource Enhancement and Protection	Special Law Enforcement Forfeiture
Revenues:			
Intergovernmental	\$ -	7,954	-
Charges for service	1,001	-	-
Use of money and property	29	64	-
Total revenues	<u>1,030</u>	<u>8,018</u>	<u>-</u>
Expenditures:			
Operating:			
Public safety and legal services	-	-	-
Administration	-	-	12,867
Debt service	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>12,867</u>
Excess (deficiency) of revenues over (under) expenditures	1,030	8,018	(12,867)
Other financing sources:			
Operating transfers in	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures	1,030	8,018	(12,867)
Fund balances beginning of year	6,021	11,177	25,292
Fund balances end of year	<u>\$ 7,051</u>	<u>19,195</u>	<u>12,425</u>

See accompanying independent auditor's report.

Revenue				
County Attorney Forfeiture	Aquatic Center Reserve	Aquatic Center Sinking	Debt Service	Total
-	-	-	-	7,954
-	-	-	-	1,001
-	-	-	-	93
-	-	-	-	9,048
36	-	-	-	36
-	-	-	-	12,867
-	-	93,973	-	93,973
36	-	93,973	-	106,876
(36)	-	(93,973)	-	(97,828)
-	-	93,973	-	93,973
(36)	-	-	-	(3,855)
-	96,450	-	322	139,262
(36)	96,450	-	322	135,407

Adams County
 Combining Schedule of Fiduciary Assets and Liabilities
 Agency Funds

June 30, 2013

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash and pooled investments:				
County Treasurer	\$ -	1,733	297,844	56,831
Other County officials	12,699	-	-	-
Receivables:				
Property tax:				
Delinquent	-	25	45	1,170
Succeeding year	-	78,000	113,000	3,748,000
Accrued interest	-	-	-	-
Special assessments	-	-	-	-
Due from other governments	-	-	-	-
Total assets	\$ 12,699	79,758	410,889	3,806,001
Liabilities				
Accounts payable	\$ -	-	285	-
Due to other governments	4,817	79,758	408,015	3,806,001
Trusts payable	7,882	-	-	-
Compensated absences	-	-	2,589	-
Total liabilities	\$ 12,699	79,758	410,889	3,806,001

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Other	Total
3,060	17,154	1,488	125,936	81,715	585,761
-	-	-	-	-	12,699
62	1,139	-	-	-	2,441
207,000	611,000	122,000	-	1,000	4,880,000
-	-	-	-	87	87
-	-	-	-	435	435
-	-	-	-	78,718	78,718
210,122	629,293	123,488	125,936	161,955	5,560,141
-	-	-	-	11,235	11,520
210,122	629,293	123,488	125,936	92,604	5,480,034
-	-	-	-	-	7,882
-	-	-	-	58,116	60,705
210,122	629,293	123,488	125,936	161,955	5,560,141

Adams County

Combining Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds

Year ended June 30, 2013

	Agricultural			
	County Offices	Extension Education	County Assessor	Schools
Assets and Liabilities				
Balances beginning of year	\$ 9,110	81,634	446,319	3,735,974
Additions:				
Property and other county tax	-	79,459	114,971	3,789,992
State tax credits	-	4,137	7,565	189,029
Office fees and collections	118,560	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	21,272	-	-	-
Miscellaneous	-	-	2,378	-
Total additions	139,832	83,596	124,914	3,979,021
Deductions:				
Agency remittances:				
To other funds	31,067	-	-	-
To other governments	87,307	85,472	160,344	3,908,994
Trusts paid out	17,869	-	-	-
Total deductions	136,243	85,472	160,344	3,908,994
Balances end of year	\$ 12,699	79,758	410,889	3,806,001

See accompanying independent auditor's report.

Community Colleges	Corpora- tions	Townships	Auto License and Use Tax	Other	Total
202,004	597,881	117,554	101,070	162,454	5,454,000
209,869	585,853	125,249	-	834	4,906,227
10,251	43,372	5,467	-	43	259,864
-	-	-	-	-	118,560
-	-	-	1,440,389	-	1,440,389
-	-	-	-	7,283	7,283
-	-	-	-	36,509	57,781
-	-	-	-	741,829	744,207
220,120	629,225	130,716	1,440,389	786,498	7,534,311
-	-	-	52,667	-	83,734
212,002	597,813	124,782	1,362,856	786,997	7,326,567
-	-	-	-	-	17,869
212,002	597,813	124,782	1,415,523	786,997	7,428,170
210,122	629,293	123,488	125,936	161,955	5,560,141

Adams County

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

For the Last Ten Years

	2013	2012	2011	2010
Revenues:				
Property and other county tax	\$ 2,625,777	2,579,811	2,514,840	2,515,367
Interest and penalty on property tax	17,379	16,261	17,243	18,014
Tax increment financing	446,775	452,223	448,251	461,773
Local option sales tax	224,368	166,691	261,149	234,602
Intergovernmental	2,954,525	3,071,193	3,002,653	3,247,422
Licenses and permits	16,486	25,738	13,491	8,935
Charges for service	344,600	439,858	335,492	313,756
Use of money and property	99,952	110,519	135,184	128,962
Miscellaneous	94,483	123,986	39,899	143,101
Total	\$ 6,824,345	6,986,280	6,768,202	7,071,932
Expenditures:				
Operating:				
Public safety and legal services	\$ 1,011,089	1,052,672	898,524	949,665
Physical health and social services	269,069	287,071	274,202	247,163
Mental health	307,966	632,781	692,087	504,319
County environment and education	569,463	678,705	603,572	556,799
Roads and transportation	2,710,813	2,866,744	2,694,208	2,702,888
Governmental services to residents	293,350	195,821	202,132	193,933
Administration	710,976	672,123	648,868	699,223
Non-program	34,409	55,617	13,337	14,870
Debt service	460,279	912,350	516,887	521,316
Capital projects	17,267	2,010	450	19,015
Total	\$ 6,384,681	7,355,894	6,544,267	6,409,191

See accompanying independent auditor's report.

Modified Accrual Basis					
2009	2008	2007	2006	2005	2004
2,412,765	2,090,860	2,062,165	2,053,657	1,909,954	1,771,320
16,566	15,775	14,384	17,280	15,705	14,441
339,266	-	-	-	-	-
219,315	191,044	-	-	-	-
3,073,040	3,091,894	3,191,112	2,612,916	2,968,262	2,547,623
7,276	7,180	10,908	8,660	5,335	6,635
278,870	253,996	219,145	191,979	209,643	239,886
140,169	153,311	135,439	115,635	103,938	106,158
32,199	81,452	50,305	48,398	64,989	33,959
6,519,466	5,885,512	5,683,458	5,048,525	5,277,826	4,720,022
863,689	681,100	623,560	592,057	588,571	591,164
242,874	375,854	496,977	394,624	351,646	342,341
493,423	443,164	460,376	398,081	425,135	474,493
606,455	662,943	3,495,776	494,101	737,203	413,894
2,577,439	2,697,078	2,297,659	2,411,389	2,113,689	1,929,903
187,630	173,382	183,702	313,379	185,295	144,655
566,751	570,795	552,669	554,420	498,956	466,006
21,918	20,809	16,748	19,117	122,952	15,720
393,155	318,410	152,250	74,902	72,182	74,436
1,001,776	282,631	858,591	-	172,261	106,889
6,955,110	6,226,166	9,138,308	5,252,070	5,267,890	4,559,501

Adams County



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Mary Mosiman, CPA
Auditor of State

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 Adams County:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Adams County, Iowa, as of and for the year ended June 30, 2013, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 25, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Adams County's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Adams County's internal control. Accordingly, we do not express an opinion on the effectiveness of Adams County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control over financial reporting we consider to be material weaknesses and other deficiencies we consider to be 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 a material misstatement of the County's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items (A) through (D) to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items (E) and (F) to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Adams County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. 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 the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2013 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.

Adams County's Responses to the Findings

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

Purpose of this Report

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

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


MARY MOSIMAN, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

February 25, 2014

Adams County

Schedule of Findings

Year ended June 30, 2013

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

- (A) Segregation of Duties – During our review of internal control, the existing procedures are evaluated in order to determine incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and, therefore, maximizes the accuracy of the County's financial statements. Generally, one or two individuals in the offices identified may have control over the following areas for which no compensating controls exist:
- (1) County Treasurer – The duties of opening and listing mail receipts, collecting, depositing, posting, daily reconciling, maintaining the detailed accounts receivable listing and custodian of the change fund and investments are not segregated. Investments are not periodically verified. Bank accounts are not reconciled monthly by an individual who does not handle cash and the reconciliations are not reviewed periodically by an independent person for propriety. A list of checks received in the mail is not periodically completed and compared with recorded receipts. In addition, there is no independent review of voided receipts and delinquent tax summaries.
 - (2) County Recorder – The duties of opening and listing mail receipts, collecting, depositing, posting and daily reconciling are not segregated. Bank accounts are not reconciled monthly by an individual who does not handle cash and the reconciliations are not reviewed periodically by an independent person for propriety. A list of receipts received in the mail is not prepared by the person opening the mail. Also, the person who signs checks is not independent of the person approving disbursements, handling cash, recording cash receipts and preparing checks.
 - (3) County Sheriff – The duties of listing mail receipts, collecting, depositing, posting and daily reconciling are not segregated. Bank accounts are not reconciled monthly by an individual who does not handle cash and the reconciliations are not reviewed periodically by an independent person for propriety. Also, the person who signs checks is not independent of the person approving disbursements, handling cash, recording cash receipts and preparing checks.
 - (4) Case Management – The duties of collecting, depositing, posting and daily reconciling are not segregated.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, each official should review the operating procedures of their office to obtain the maximum internal control possible under the circumstances utilizing currently available personnel, including elected officials and other County personnel. The official should utilize current personnel to provide additional control through review of financial transactions, reconciliations and reports. Such reviews should be performed by independent persons to the extent possible and should be evidenced by the signature or initials of the reviewer and the date of review.

Adams County

Schedule of Findings

Year ended June 30, 2013

Response – Each of these departments will review their office procedures and attempt to comply.

Conclusion – Response accepted.

- (B) Financial Reporting – During the audit, we identified material amounts of receivables, payables and capital assets not recorded in the County’s financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

Recommendation – The County should implement procedures to ensure all receivables, payables and capital assets are identified and properly included in the County’s financial statements.

Response – We will start holding departments more accountable for properly submitting information to be properly reported.

Conclusion – Response accepted.

- (C) Capital Assets Inventory – The capital assets listing was not reviewed periodically by an independent person to verify whether assets on the listing existed or all assets were included on the capital assets listing.

Recommendation – A person who does not have responsibility for capital assets or maintenance of the capital assets listing should periodically verify assets on the listing to ensure the capital assets exist and all capital assets are included on the listing.

Response – We have started to review capital assets list to make sure it is up to date. New procedures have been put into place to make sure all departments are updating the auditor.

Conclusion – Response accepted.

- (D) Early Childhood Iowa Area Board – The annual report submitted to the Department of Management for fiscal year 2013 did not reconcile to the Area Board’s financial activity as recorded in the County’s (the fiscal agent’s) financial records and the beginning and ending fund balances presented in the annual financial report did not agree to the County’s financial records. In addition, accrued expenditures per the annual financial report did not agree to the balances in the County’s financial records. This was resolved for audit purposes.

The Early Childhood program had a deficit balance of \$1,464 at year end.

The School Ready program balance at June 30, 2013 exceeded 20% of the prior year’s award.

For 13 of 15 provider claims tested, the vendor name and the disbursement amount were not listed in the Area Board minutes for approval. For 4 of those 13 disbursements, adequate supporting documentation was not available to support the disbursements for reimbursement of salaries, mileage and other expenses or to determine proper coding.

Adams County

Schedule of Findings

Year ended June 30, 2013

Recommendation – The Annual Financial Report should be prepared from the County’s financial records. Accrued expenditures should be reviewed by the Area Board to ensure coding to the proper fiscal year by the County. The Area Board should implement procedures to ensure all financial activity is reported accurately in the Annual Financial Report and should work with the Early Childhood Iowa office to resolve fund balance errors.

All contract payments should be supported by detailed invoices or other supporting documentation as required by the provider contracts. The invoices and supporting documentation should be reviewed by the Area Board’s director and approved by the Area Board chairperson.

Response – We accept this recommendation, and the problem should be taken care of since Empowerment has regionalized and the County will no longer be the fiscal agent.

Conclusion –Response accepted.

- (E) Mental Health Services Coordinator Board – The County participates in the Mental Health Services Coordinator Board and is the fiscal agent under the five county 28E agreement. The end of year balance for the Board has been in a deficit position for several years. An expense reimbursement and an administrative fee were coded to the wrong project or fund.

Recommendation – The County should investigate the deficit balance and determine if corrective transfers are necessary or additional amounts need to be collected from the member counties to eliminate the deficit balance. In addition, the County should establish procedures to periodically review expense reimbursements and administrative fees to ensure correct coding.

Response – We have started a review as to why there is a deficit balance. This problem should be taken care of once the CPC regionalizes and Adams County is no longer the fiscal agent.

Conclusion – Response accepted.

- (F) Compensated Absences – Compensatory time, including vacation and sick leave, are not maintained in the County Auditor’s payroll records for all departments. In addition, certain Sheriff’s office employees have accumulated vacation balances in excess of the maximum hours allowed to be carried forward to the next year under the County Sheriff’s personnel policy.

Recommendation – All payroll records should be maintained on a consistent and uniform basis to document potential liabilities of the County. In addition, the County Sheriff’s office should comply with its personnel policies.

Responses –

County Auditor – We accept this recommendation and are working towards implementing tracking in Solutions immediately.

Adams County

Schedule of Findings

Year ended June 30, 2013

County Sheriff – We agree and plan to implement changes to address compensated absences effective upon approval of an updated personnel policy handbook to be completed in early 2014.

Conclusions – Responses accepted

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

Adams County

Schedule of Findings

Year ended June 30, 2013

Other Findings Related to Required Statutory Reporting:

- (1) Certified Budget – Disbursements during the year ended June 30, 2013 exceeded the amounts budgeted in the non-program and debt service functions.

Disbursements exceeded the amounts appropriated to the following departments: Other Human Services, Veteran’s Affairs, Board of Health, DHS Services, County Development, and County Care Facility.

Recommendation – The budget should have been amended in sufficient amounts in accordance with Chapter 331.435 of the Code of Iowa before disbursements were allowed to exceed the budget. Also, Chapter 331.434(6) of the Code of Iowa requires the Board of Supervisors to appropriate, by resolution, amounts deemed necessary for each of the different county offices and departments for the fiscal year.

Response – We accept this recommendation and will amend the budget appropriately to comply with Chapter 331.435 of the Code of Iowa. The Board will also appropriate by resolution the amounts necessary for each different county office and department for the fiscal year.

Conclusion – Response accepted.

- (2) Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- (3) Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- (4) Business Transactions – Business transactions between the County and County officials or employees are detailed as follows:

<u>Name, Title and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Doug Birt, Board of Supervisors, Part Owner of Graphic Ideas	Printing and supplies	\$ 1,608

The transactions may represent a conflict interest in accordance with Chapter 331.342 of the Code of Iowa since the total transactions were more than \$1,500 during the year.

Recommendation – The County should consult legal counsel for the proper disposition of this matter.

Response – We accept the recommendation and will review this issue.

Conclusion – Response accepted.

Adams County

Schedule of Findings

Year ended June 30, 2013

- (5) Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- (6) Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- (7) Deposits and Pooled 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.
- (8) 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).
- (9) County Extension Office – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an Extension Council separate and distinct from County operations and, consequently, is not included in Exhibits A or B.

Disbursements during the year ended June 30, 2013 for the County Extension Office did not exceed the amount budgeted.

- (10) Revenue Bonds – No instances of non-compliance with the urban renewal tax increment and local option sales tax revenue bond provisions were noted.
- (11) Prohibited Employment – Chapter 71.1 of the Code of Iowa states it is unlawful for any elected or appointed official to hire an individual related within the third degree, unless such appointment is approved by the Board or the individual is paid \$600 per year or less. An individual hired and currently employed by the County Attorney has not received approval from the Board for their current employment.

Also, Chapter 331.506(1)(a) states warrants shall be made payable to the person performing the services. Currently, payments in the amount of \$802 per month are remitted to the County Attorney for administration services of the hired employee.

Recommendation – The County should consult legal counsel for the proper disposition of this matter.

Response – After consultation and research it appears it would be best if we no longer receive funds from the County for independent contract work for legal secretarial services. Therefore, we will no longer be receiving any funds to pay individuals for those services rendered. No individual related to me with the third degree shall be employed by my office or Adams County.

Conclusion – Response accepted.

Adams County

Schedule of Findings

Year ended June 30, 2013

- (12) Urban Renewal Annual Report – The urban renewal annual report was approved and certified to the Iowa Department of Management on or before December 1.
- (13) Voting Equipment Loan – The County did not hold a public hearing prior to entering into a \$54,178 loan for a voting tabulation system as required by Chapter 331.479 of the Code of Iowa.

Recommendation – The County should follow the statutory authorization requirements before entering into non-current debt.

Response – We accept this recommendation. Going forward we will comply with Chapter 331.479 of the Code of Iowa.

Conclusion – Response accepted.

- (14) Financial Condition – At June 30, 2013, the Special Revenue, Mental Health Fund had a deficit balance of \$70,342 and the Special Revenue, County Attorney Forfeiture Fund had a deficit balance of \$36.

Recommendation – The County should investigate alternatives to eliminate these deficits to return the funds to a sound financial position.

Response – We will investigate alternatives to eliminate these deficits.

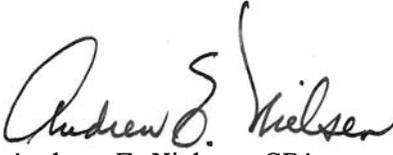
Conclusion – Response accepted.

Adams County

Staff

This audit was performed by:

Timothy D. Houlette, CPA, Manager
Jessica P.V. Green, Senior Auditor
Tyler J. Guffy, Staff Auditor
Megan E. Irvin, Assistant Auditor

A handwritten signature in black ink that reads "Andrew E. Nielsen". The signature is written in a cursive style with a large initial "A" and "N".

Andrew E. Nielsen, CPA
Deputy Auditor of State