



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE _____ June 13, 2014 _____

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

The County had local tax revenue of \$14,866,939 for the year ended June 30, 2013, which included \$639,886 in tax credits from the state. The County forwarded \$10,697,653 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$4,169,286 of the local tax revenue to finance County operations, a 9.1% increase over the prior year. Other revenues included charges for service of \$817,875, operating grants, contributions and restricted interest of \$4,022,563, capital grants, contributions and restricted interest of \$1,241,700, tax increment financing of \$311,733, local option sales tax of \$392,161, unrestricted investment earnings of \$22,743 and other general revenues of \$388,555.

Expenses for County operations for the year ended June 30, 2013 totaled \$9,476,739, a 16.2% decrease from the prior year. Expenses included \$4,266,170 for roads and transportation, \$1,708,261 for public safety and legal services and \$1,578,715 for administration.

The significant decrease in revenues and expenses is primarily due to FEMA reimbursed flood recovery paid in the prior year partially offset by contributions by the Iowa Department of Transportation for roads and bridges.

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 Office of Auditor of State's web site at <http://auditor.iowa.gov/reports/1310-0036-B00F.pdf>.

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FREMONT COUNTY

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

JUNE 30, 2013

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Fremont County

Officials

(Before January 2013)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Cara Morgan	Board of Supervisors	Jan 2013
Bart Bartholomew	Board of Supervisors	Jan 2015
Randy Hickey	Board of Supervisors	Jan 2015
Joan Kirk	County Auditor	Jan 2013
Judith M. Crain	County Treasurer	Jan 2015
Jenny McAllister	County Recorder	Jan 2015
Kevin Aistrope	County Sheriff	Jan 2013
Margaret E. Johnson	County Attorney	Jan 2015
Karen L. Berry	County Assessor	Jan 2016

(After January 2013)

Bart Bartholomew	Board of Supervisors	Jan 2015
Randy Hickey	Board of Supervisors	Jan 2015
Cara Morgan	Board of Supervisors	Jan 2017
Joan Kirk	County Auditor	Jan 2017
Judith M. Crain	County Treasurer	Jan 2015
Jenny McAllister	County Recorder	Jan 2015
Kevin Aistrope	County Sheriff	Jan 2017
Margaret E. Johnson	County Attorney	Jan 2015
Karen L. Berry	County Assessor	Jan 2016

Fremont County



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Independent Auditor's Report

To the Officials of Fremont 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 Fremont 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 Fremont County as of June 30, 2013, and the respective changes in its financial position 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 8 through 14 and 42 through 46 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 Fremont 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 6, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, 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 May 12, 2014 on our consideration of Fremont 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 Fremont County's internal control over financial reporting and compliance.


MARY MOSIMAN, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

May 12, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fremont County provides this Management's Discussion and Analysis of its annual 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

- Revenues of the County's governmental activities decreased 1.2%, or approximately \$132,400, from fiscal year 2012 to fiscal year 2013. Property and other county tax increased approximately \$314,200 over fiscal year 2012. Operating grants, contributions and restricted interest decreased approximately \$1,873,300, capital grants, contributions and restricted interest increased approximately \$1,241,700 and charges for service increased approximately \$49,600.
- Program expenses of the County's governmental activities decreased 16.2%, or approximately \$1,828,000, from fiscal year 2012. Roads and transportation expenses decreased approximately \$1,995,600, mental health expenses decreased approximately \$586,200 and administration expenses increased approximately \$661,200.
- The County's net assets increased approximately \$1,889,900 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 Fremont 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 Fremont County's operations in more detail than the government-wide financial statements by providing information about the most significant funds. The remaining financial statements provide financial information about activities for which Fremont 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 funds and the individual Agency Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the County.

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES:

Government-wide Financial Statements

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about activities in a way that 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 event or 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 and 2) the Special Revenue Funds, such as Mental Health, Rural Services and Secondary Roads. 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 government 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 and cannot be used to support the County's own programs. These fiduciary funds include Agency Funds that account for drainage districts and the County Assessor, 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. The analysis below shows the changes in the net position of governmental activities from a year ago.

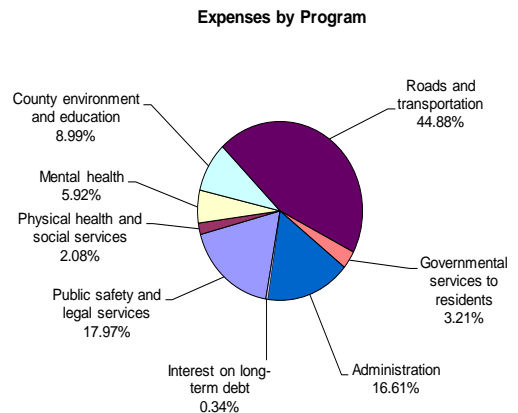
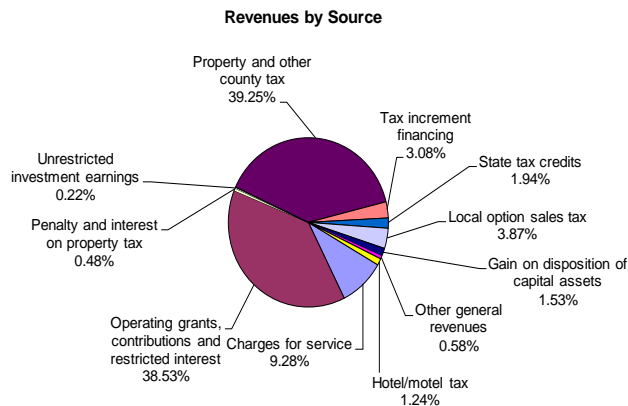
Net Position of Governmental Activities		
	June 30,	
	2013	2012
Current and other assets	\$ 11,197,269	10,597,094
Capital assets	12,073,922	11,122,550
Total assets	<u>23,271,191</u>	<u>21,719,644</u>
Long-term liabilities	1,302,300	1,296,290
Other liabilities	4,527,670	4,872,010
Total liabilities	<u>5,829,970</u>	<u>6,168,300</u>
Net position:		
Invested in capital assets, net of related debt	12,046,257	11,043,686
Restricted	4,725,761	3,990,348
Unrestricted	669,203	517,310
Total net position	<u>\$ 17,441,221</u>	<u>15,551,344</u>

Net position of Fremont County’s governmental activities increased 12.2%, or approximately \$1,889,900, during the year. The largest portion of the County’s net position is invested in capital assets (i.e. land, buildings, infrastructure and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. 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 \$517,310 at June 30, 2012 to \$669,203 at the end of this year, an increase of 29.4%.

Changes in Net Position of Governmental Activities

	Year ended June 30,	
	2013	2012
Revenues:		
Program revenues:		
Charges for service	\$ 817,875	768,307
Operating grants, contributions and restricted interest	4,022,563	5,895,865
Capital grants, contributions and restricted interest	1,241,700	-
General revenues:		
Property and other county tax	3,973,246	3,659,060
Tax increment financing	311,733	342,040
Penalty and interest on property tax	49,090	50,359
State tax credits	196,040	163,996
Local option sales tax	392,161	339,736
Hotel/motel tax	125,396	80,494
Unrestricted investment earnings	22,743	25,432
Gain on disposition of capital assets	155,078	105,200
Other general revenues	58,991	68,479
Total revenues	11,366,616	11,498,968
Program expenses:		
Public safety and legal services	1,708,261	1,696,758
Physical health and social services	197,712	188,687
Mental health	562,883	1,149,062
County environment and education	825,893	755,606
Roads and transportation	4,266,170	6,261,722
Governmental services to residents	304,757	298,354
Administration	1,578,715	917,513
Interest on long-term debt	32,348	36,693
Total expenses	9,476,739	11,304,395
Change in net position	1,889,877	194,573
Net position beginning of year	15,551,344	15,356,771
Net position end of year	\$ 17,441,221	15,551,344



Overall, revenues decreased approximately \$132,400, or 1.2%, during the year. The decrease is primarily due to road repairs paid with FEMA funding in the prior year partially offset

by an increase in roads and bridges paid by the Iowa Department of Transportation during fiscal year 2013.

Fremont County's overall property tax rate for fiscal year 2013 decreased \$.29253 per \$1,000 of taxable valuation. The countywide assessed property taxable valuation increased approximately \$52,490,000. The general basic levy remained at \$3.70 per \$1,000 of taxable valuation while the general supplemental levy decreased \$.18635 per \$1,000 of taxable valuation. The levy for rural services remained at \$3.00 per \$1,000 of taxable valuation while the mental health levy decreased \$.10618 per \$1,000 of taxable valuation.

The cost of all governmental activities this year was approximately \$9.5 million compared to approximately \$11.3 million last year. This decrease is primarily due to significant road repairs during fiscal year 2012 after the flooding in the summer of 2011.

INDIVIDUAL MAJOR FUND ANALYSIS

As Fremont County completed the year, its governmental funds reported a combined fund balance of \$5,751,287 compared to \$5,116,653 at June 30, 2012, an increase of \$634,634, or 12.4%.

The General Fund, the operating fund for Fremont County, ended fiscal year 2013 with a balance of \$2,425,005, an increase of \$157,638 over the fiscal year 2012 ending balance of \$2,267,367. Total expenditures increased \$656,501 while total revenues increased \$628,101. The County incurred demolition costs associated with flooding which were partially reimbursed by FEMA.

The County has continued to look for ways to effectively manage the cost of mental health services. The State has taken over Medicaid funded services. The Special Revenue, Mental Health Fund balance at year-end increased \$258,130, or 53.6%, over the prior year to \$739,654. Total expenditures decreased \$590,026 and total revenues decreased \$512,621.

The Special Revenue, Rural Services Fund ending fund balance increased \$39,725 over the prior year to \$335,579. The increase is primarily due to property tax revenue increasing slightly more than the increases in expenditures for public safety and legal services and county environment and education. Transfers to the Special Revenue, Secondary Roads Fund also increased over the prior year.

The Special Revenue, Secondary Roads Fund ended fiscal year 2013 with a \$2,092,726 fund balance, an increase of \$200,679 compared to the prior year ending fund balance of \$1,892,047. The increase is modest after fiscal year 2012 saw higher capital project expenses and FEMA reimbursements during the year to repair roads damaged by flooding during the summer of 2011.

BUDGETARY HIGHLIGHTS

Over the course of the year, Fremont County amended its budget twice. The first amendment was made in October 2012 and resulted in an increase in budgeted disbursements of \$18,000 for a jail study. The second amendment was made in April 2013 and resulted in an increase in budgeted disbursements of \$875,892, primarily due to an increase in flood related repairs and demolition.

The County's receipts were \$1,689,032 less than budgeted, a variance of 15.8%. The most significant variance resulted from lower than expected property and other County tax receipts and intergovernmental receipts.

Total disbursements were \$1,887,648 less than the amended budget. Actual disbursements for the mental health, roads and transportation and capital projects functions were \$744,244, \$426,754 and \$166,105, respectively, less than the amounts budgeted. This was

due to lower mental health disbursements because Medicaid is now paid by the State and lower than expected flood repairs during fiscal year 2013.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2013, Fremont County had approximately \$12.07 million invested in a broad range of capital assets, including public safety equipment, buildings, roads and bridges. This is a net increase (including additions and deletions) of approximately \$951,000, or 8.6%, over last year. The increase was primarily due to an increase in infrastructure (roads and bridges).

Capital Assets of Governmental Activities at Year End		
	June 30,	
	2013	2012
Land	\$ 1,542,473	1,542,473
Buildings	2,348,679	2,405,612
Improvements other than buildings	137,152	145,072
Equipment and vehicles	2,040,566	2,036,629
Infrastructure	6,005,052	4,992,764
Total	<u>\$ 12,073,922</u>	<u>11,122,550</u>
This year's major additions included:		
County Sheriff's vehicles	\$ 61,261	
Infrastructure, roads	1,241,700	
Motorgrader and other Secondary Roads		
Department equipment and vehicles	477,110	
Total	<u>\$ 1,780,071</u>	

Fremont County had depreciation expense of \$821,837 in fiscal year 2013 and total accumulated depreciation of \$5,961,273 at June 30, 2013. More detailed information about the County's capital assets is included in Note 4 to the financial statements.

Long-Term Debt

Principal paid on the general obligation bonds totaled \$110,000 during the year ended June 30, 2013. Principal payments made in fiscal year 2013 on the capital lease purchase agreements totaled \$51,199.

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. Fremont County's constitutional debt limit is approximately \$25.2 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

Fremont County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2014 county budget, tax rates and fees for the various County services. One of those factors is the economy.

Amounts available for appropriation in the fiscal year 2014 operating budget are again approximately \$9.9 million. Property tax (including General Fund levies set at \$5.30546 per \$1,000 of taxable valuation) are expected to increase slightly, offset by a slight decrease in TIF receipts. Budgeted disbursements for the fiscal year 2014 operating budget are approximately \$9.5 million, a decrease of 13.6% from the final fiscal year 2013 budget.

Fremont County has restricted 40% of the local option sales tax collected for infrastructure.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Fremont 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 Joan Kirk at the Fremont County Auditor's Office, by mail at 506 Filmore, Sidney, IA 51652 or by telephone at (712) 374-2031.

Basic Financial Statements

Exhibit A

Fremont County
Statement of Net Position
June 30, 2013

	<u>Governmental Activities</u>
Assets	
Cash and pooled investments	\$ 4,039,663
Receivables:	
Property tax:	
Delinquent	19,798
Succeeding year	4,302,000
Interest and penalty on property tax	39,683
Accounts	19,490
Accrued interest	1,953
Drainage assessments	122,176
Loan	655,000
Due from other governments	1,476,156
Inventories	317,895
Prepaid items	203,455
Capital assets - nondepreciable	1,542,473
Capital assets - depreciable (net)	10,531,449
Total assets	<u>23,271,191</u>
Liabilities	
Accounts payable	154,718
Salaries and benefits payable	63,619
Due to other governments	7,333
Deferred revenue:	
Succeeding year property tax	4,302,000
Long-term liabilities:	
Portion due or payable within one year:	
Capital lease purchase agreement	27,665
General obligation bonds	80,000
Compensated absences	73,565
Portion due or payable after one year:	
General obligation bonds	575,000
Compensated absences	371,321
Drainage warrants	122,176
Net OPEB liability	52,573
Total liabilities	<u>5,829,970</u>
Net Position	
Net investment in capital assets	12,046,257
Restricted for:	
Supplemental levy purposes	624,878
Mental health purposes	730,168
Rural services purposes	339,981
Secondary roads purposes	2,870,838
Other purposes	159,896
Unrestricted	669,203
Total net position	<u>\$ 17,441,221</u>

See notes to financial statements.

Fremont County
Statement of Activities
Year ended June 30, 2013

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
Functions/Programs:					
Governmental activities:					
Public safety and legal services	\$ 1,708,261	218,429	15,299	-	(1,474,533)
Physical health and social services	197,712	20,654	81,034	-	(96,024)
Mental health	562,883	296,990	55,777	-	(210,116)
County environment and education	825,893	88,804	63,365	-	(673,724)
Roads and transportation	4,266,170	14,313	3,238,442	1,241,700	228,285
Governmental services to residents Administration	304,757	164,227	57,903	-	(82,627)
Interest on long-term debt	1,578,715	14,458	478,395	-	(1,085,862)
	32,348	-	32,348	-	-
Total	\$ 9,476,739	817,875	4,022,563	1,241,700	(3,394,601)
General Revenues:					
Property and other county tax levied for general purposes					3,973,246
Tax increment financing					311,733
Penalty and interest on property tax					49,090
State tax credits					196,040
Local option sales tax					392,161
Hotel/motel tax					125,396
Unrestricted investment earnings					22,743
Gain on disposition of capital assets					155,078
Miscellaneous					58,991
Total general revenues					<u>5,284,478</u>
Change in net position					1,889,877
Net position beginning of year					<u>15,551,344</u>
Net position end of year					<u>\$ 17,441,221</u>
See notes to financial statements.					

Fremont County
Balance Sheet
Governmental Funds

June 30, 2013

	Special Revenue		
	General	Mental Health	Rural Services
Assets			
Cash and pooled investments	\$ 1,291,539	720,868	329,507
Receivables:			
Property tax:			
Delinquent	13,678	1,717	4,403
Succeeding year	2,496,000	332,000	1,188,000
Interest and penalty on property tax	39,683	-	-
Accounts	19,490	-	-
Accrued interest	1,953	-	-
Drainage assessments	-	-	-
Loan	655,000	-	-
Due from other governments	487,880	38,372	11,499
Inventories	-	-	-
Prepaid items	124,127	1,357	-
Total assets	\$ 5,129,350	1,094,314	1,533,409
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 38,311	12,667	4,353
Salaries and benefits payable	33,991	3,664	1,075
Due to other governments	2,554	4,695	-
Deferred revenue:			
Succeeding year property tax	2,496,000	332,000	1,188,000
Other	133,489	1,634	4,402
Total liabilities	2,704,345	354,660	1,197,830
Fund balances:			
Nonspendable:			
Inventories	-	-	-
Prepaid items	124,127	1,357	-
Restricted for:			
Supplemental levy purposes	634,025	-	-
Mental health purposes	-	738,297	-
Rural services purposes	-	-	335,579
Secondary roads purposes	-	-	-
Drainage purposes	-	-	-
Local option sales tax purposes	194,788	-	-
Debt service	655,000	-	-
Conservation land acquisition/capital improvements	1,573	-	-
Other purposes	-	-	-
Unassigned	815,492	-	-
Total fund balances	2,425,005	739,654	335,579
Total liabilities and fund balances	\$ 5,129,350	1,094,314	1,533,409

See notes to financial statements.

Secondary Roads	Nonmajor	Total
1,539,426	158,323	4,039,663
-	-	19,798
-	286,000	4,302,000
-	-	39,683
-	-	19,490
-	-	1,953
-	122,176	122,176
-	-	655,000
938,405	-	1,476,156
317,895	-	317,895
77,971	-	203,455
<u>2,873,697</u>	<u>566,499</u>	<u>11,197,269</u>
99,387	-	154,718
24,889	-	63,619
84	-	7,333
-	286,000	4,302,000
656,611	122,176	918,312
<u>780,971</u>	<u>408,176</u>	<u>5,445,982</u>
317,895	-	317,895
77,971	-	203,455
-	-	634,025
-	-	738,297
-	-	335,579
1,696,860	-	1,696,860
-	8,746	8,746
-	-	194,788
-	-	655,000
-	-	1,573
-	149,577	149,577
-	-	815,492
<u>2,092,726</u>	<u>158,323</u>	<u>5,751,287</u>
<u>2,873,697</u>	<u>566,499</u>	<u>11,197,269</u>

Fremont County

Fremont County

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

June 30, 2013

Total governmental fund balances (page 19)	\$ 5,751,287
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>	
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 \$18,035,195 and the accumulated depreciation is \$5,961,273.	12,073,922
Other long-term assets are not available to pay current year expenditures and, therefore, are deferred in the governmental funds.	918,312
Long-term liabilities, including capital lease purchase agreement payable, bonds payable, compensated absences payable and other postemployment benefits payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds.	<u>(1,302,300)</u>
Net assets of governmental activities (page 16)	<u><u>\$ 17,441,221</u></u>

See notes to financial statements.

Fremont County

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

Year ended June 30, 2013

	Special Revenue		
	General	Mental Health	Rural Services
Revenues:			
Property and other county tax	\$ 2,431,370	441,019	1,101,841
Local option sales tax	274,513	-	117,648
Hotel/motel tax	125,396	-	-
Tax increment financing	-	-	-
Interest and penalty on property tax	41,216	-	-
Intergovernmental	756,990	374,610	53,778
Licenses and permits	23,088	-	-
Charges for service	320,510	-	-
Use of money and property	86,108	-	-
Miscellaneous	80,774	212	-
Total revenues	4,139,965	815,841	1,273,267
Expenditures:			
Operating:			
Public safety and legal services	1,560,882	-	97,848
Physical health and social services	182,119	-	16,628
Mental health	-	557,711	-
County environment and education	277,632	-	78,434
Roads and transportation	-	-	-
Governmental services to residents	294,379	-	608
Administration	1,553,018	-	8,706
Capital projects	-	-	-
Debt service	142,348	-	-
Total expenditures	4,010,378	557,711	202,224
Excess (deficiency) of revenues over (under) expenditures	129,587	258,130	1,071,043
Other financing sources (uses):			
Sale of capital assets	28,051	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	(1,031,318)
Drainage warrants issued	-	-	-
Total other financing sources (uses)	28,051	-	(1,031,318)
Change in fund balances	157,638	258,130	39,725
Fund balances beginning of year	2,267,367	481,524	295,854
Fund balances end of year	\$ 2,425,005	739,654	335,579

See notes to financial statements.

Secondary Roads	Nonmajor	Total
-	-	3,974,230
-	-	392,161
-	-	125,396
-	311,733	311,733
-	-	41,216
3,057,712	9,491	4,252,581
1,005	-	24,093
-	1,950	322,460
-	110	86,218
13,308	26,830	121,124
3,072,025	350,114	9,651,212
-	1,510	1,660,240
-	-	198,747
-	-	557,711
-	501,064	857,130
3,876,087	-	3,876,087
-	-	294,987
-	-	1,561,724
26,863	-	26,863
-	-	142,348
3,902,950	502,574	9,175,837
(830,925)	(152,460)	475,375
286	-	28,337
1,031,318	10,158	1,041,476
-	(10,158)	(1,041,476)
-	130,922	130,922
1,031,604	130,922	159,259
200,679	(21,538)	634,634
1,892,047	179,861	5,116,653
2,092,726	158,323	5,751,287

Fremont 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 23)		\$ 634,634
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay expenditures and contributed capital assets exceeded depreciation expense in the current year, as follows:		
Expenditures for capital assets	\$ 376,431	
Capital assets contributed by the Iowa Department of Transportation	1,241,700	
Depreciation expense	<u>(821,837)</u>	796,294
In the Statement of Activities, the gain on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources.		155,078
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	6,973	
Other	<u>302,908</u>	309,881
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.		
Issued	(122,176)	
Repaid	<u>161,199</u>	39,023
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	(32,820)	
Other postemployment benefits	<u>(12,213)</u>	(45,033)
Change in net position of governmental activities (page 17)		<u>\$ 1,889,877</u>

See notes to financial statements.

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

Assets

Cash and pooled investments:	
County Treasurer	\$ 987,617
Other County officials	11,637
Receivables:	
Property tax:	
Delinquent	59,530
Succeeding year	10,248,000
Accounts	26
Drainage assessments	181,832
Prepaid items	2,422
Total assets	11,491,064

Liabilities

Accounts payable	299
Salaries and benefits payable	3,591
Due to other governments	11,435,326
Trusts payable	4,873
Compensated absences	46,975
Total liabilities	11,491,064

Net position	\$ -
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See notes to financial statements.

Fremont County

Notes to Financial Statements

June 30, 2013

(1) Summary of Significant Accounting Policies

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

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

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

Certain drainage districts have been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although these districts are legally separate from the County, they are controlled, managed and supervised by the Fremont County Board of Supervisors. These drainage districts are reported as a Special Revenue Fund. The remaining individual drainage districts are reported as an Agency Fund. Financial information of the individual drainage districts can be obtained from the Fremont County Auditor's Office.

Jointly Governed Organizations – The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: County Assessor’s Conference Board, County Emergency Management Commission and County Joint 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 established pursuant to Chapter 28E of the Code of Iowa: Southwest IV Transportation Planning Agency, Job Training Partnership Agency, Multi-County Juvenile Detention Center and Southwest Iowa Crime Commission.

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

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

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

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

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position 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 roads construction and maintenance.

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 assets 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, Cash Equivalents and Pooled Investments – The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund unless otherwise provided by law. Investments are stated at fair value except for the investment in the Iowa Public Agency Investment Trust which is valued at amortized cost and 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.

Drainage Assessments Receivable – Drainage assessments receivable represent amounts assessed to individuals for work done on drainage districts which benefit their property. These assessments are payable by individuals in not less than 10 nor more than 20 annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Delinquent drainage assessments receivable represent assessments which are due and payable but have 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 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	\$ 50,000
Intangibles	50,000
Land, buildings and improvements	25,000
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	40 - 50
Building improvements	20 - 50
Infrastructure	30 - 50
Equipment and vehicles	2 - 20

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 that 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. 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, Mental Health and Secondary Roads Funds.

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

(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	\$ 1,031,318
Low to Moderate Income Assistance	Tax Increment Financing Rebate	10,158
Total		\$ 1,041,476

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

(4) Capital Assets

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

	Balance			Balance
	Beginning			End
	of Year	Increases	Decreases	of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 158,404	-	-	158,404
Intangibles, road network	1,384,069	-	-	1,384,069
Construction in progress	-	1,241,700	(1,241,700)	-
Total capital assets not being depreciated	<u>1,542,473</u>	<u>1,241,700</u>	<u>(1,241,700)</u>	<u>1,542,473</u>
Capital assets being depreciated:				
Buildings	3,192,486	6,397		3,198,883
Improvements other than buildings	193,236	-		193,236
Equipment and vehicles	6,098,334	548,685	(617,760)	6,029,259
Infrastructure, road network	5,468,795	1,241,700	-	6,710,495
Infrastructure, other	360,849	-	-	360,849
Total capital assets being depreciated	<u>15,313,700</u>	<u>1,796,782</u>	<u>(617,760)</u>	<u>16,492,722</u>
Less accumulated depreciation for:				
Buildings	786,874	63,330	-	850,204
Improvements other than buildings	48,164	7,920	-	56,084
Equipment and vehicles	4,061,705	521,175	(594,187)	3,988,693
Infrastructure, road network	745,930	217,384		963,314
Infrastructure, other	90,950	12,028	-	102,978
Total accumulated depreciation	<u>5,733,623</u>	<u>821,837</u>	<u>(594,187)</u>	<u>5,961,273</u>
Total capital assets being depreciated, net	<u>9,580,077</u>	<u>974,945</u>	<u>(23,573)</u>	<u>10,531,449</u>
Governmental activities capital assets, net	<u>\$ 11,122,550</u>	<u>2,216,645</u>	<u>(1,265,273)</u>	<u>12,073,922</u>

The County acquired golf and turf equipment under a capital lease purchase agreement. The cost of the golf and turf equipment was \$153,528 and the accumulated depreciation at June 30, 2013 was \$52,479.

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 77,450
Mental health	5,336
County environment and education	19,650
Roads and transportation	678,038
Governmental services to residents	9,216
Administration	<u>32,147</u>
Total depreciation expense - governmental activities	<u>\$ 821,837</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
General	Services	\$ 2,554
Special Revenue:		
Mental Health	Services	4,695
Secondary Roads		84
Total for governmental funds		<u>\$ 7,333</u>
Agency:		
County Assessor	Collections	\$ 270,796
Schools		7,589,823
Community Colleges		482,618
Corporations		1,852,341
Townships		208,194
Auto License and Use Tax		162,746
Drainage Districts		563,887
All other		304,921
Total for agency funds		<u>\$ 11,435,326</u>

(6) Long-Term Liabilities

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

	Capital Lease Purchase Agreements	General Obligation Bonds	Compensated Absences	Drainage Warrants	Net OPEB Liability	Total
Balance beginning of year	\$ 78,864	765,000	412,066	-	40,360	1,296,290
Increases	-	-	366,825	130,922	13,701	511,448
Decreases	51,199	110,000	334,005	8,746	1,488	505,438
Balance end of year	<u>\$ 27,665</u>	<u>655,000</u>	<u>444,886</u>	<u>122,176</u>	<u>52,573</u>	<u>1,302,300</u>
Due within one year	<u>\$ 27,665</u>	<u>80,000</u>	<u>73,565</u>	<u>-</u>	<u>-</u>	<u>181,230</u>

Capital Lease Purchase Agreements

On May 20, 2008, the County entered into a capital lease purchase agreement to lease golf and turf equipment for \$153,528 with 4.902% per annum interest. The County made a principal payment of \$26,344 and an interest payment of \$2,708 during the year ended June 30, 2013.

On July 3, 2008, the County entered into a capital lease purchase agreement to lease asphalt zipper equipment for \$113,305 with 4.790% per annum interest. The County made the final principal payment of \$24,855 and interest payment of \$897 on the agreement during the year ended June 30, 2013.

The following is a schedule of the future minimum lease payments and the present value of net minimum lease payments under the golf and turf equipment agreement in effect at June 30, 2013:

Year Ending June 30,	Amount
2014	\$ 29,052
Less amount representing interest	<u>(1,387)</u>
Present value of net minimum lease payments	<u>\$ 27,665</u>

General Obligation Bonds

On August 9, 2007, the County issued \$1,265,000 of general obligation solid waste disposal bonds for the purpose of constructing improvements to the Fremont County Landfill Commission facilities. The Commission has agreed to make payments to the County to pay the principal and interest on the general obligation solid waste disposal bonds as they become due.

Annual debt service requirements to maturity for the general obligation bonded indebtedness are as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2013	4.125%	\$ 80,000	27,948	107,948
2014	4.125	80,000	24,648	104,648
2015	4.250	65,000	21,348	86,348
2016	4.250	65,000	18,585	83,585
2017	4.250	65,000	15,822	80,822
2019-2022	4.300-4.400	300,000	33,889	333,889
Total		<u>\$ 655,000</u>	<u>142,240</u>	<u>797,240</u>

During the year ended June 30, 2013, the County retired \$110,000 of general obligation bonds.

(7) Loan Receivable

The County loaned bond proceeds to the Fremont County Landfill Commission. Under the agreement, the Fremont County Landfill Commission has agreed to make payments to the County equal to the payments the County is required to make on the general obligation solid waste disposal bonds, detailed in Note 6 of the Notes to Financial Statements. The principal and interest payments from the Fremont County Landfill Commission are credited to the General Fund.

(8) 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 \$253,141, \$251,848 and \$211,604, respectively, equal to the required contributions for each year.

(9) Other Postemployment Benefits (OPEB)

Plan Description – The County operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. There are 78 active and no retired members in the plan. Retired participants must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a partially self-funded medical plan administered by the 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	\$ 13,691
Interest on net OPEB obligation	1,614
Adjustment to annual required contribution	(1,604)
Annual OPEB cost	<u>13,701</u>
Contributions made	(1,488)
Increase in net OPEB obligation	<u>12,213</u>
Net OPEB obligation beginning of year	<u>40,360</u>
Net OPEB obligation end of year	<u><u>\$ 52,573</u></u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2013.

For the year ended June 30, 2013, the County contributed \$1,488 to the medical plan. Plan members eligible for benefits did not make any contributions.

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	\$ 16,569	20.0%	\$ 28,260
2012	16,620	27.2	40,360
2013	13,701	10.9	52,573

Funded Status and Funding Progress – As of July 1, 2012, the most recent actuarial valuation date for the period July 1, 2012 through June 30, 2013, the actuarial accrued liability was \$120,211 with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$120,211. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$2,726,000 and the ratio of the UAAL to covered payroll was 4.4%. As of June 30, 2013, there were no trust fund assets.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve 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. Actuarially determined amounts 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.

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 actuarial 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 actuarial valuation date, the unit credit actuarial cost method was used. The actuarial assumptions include a 4% discount rate based on the County's funding policy. The projected annual medical trend rate is 10%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 0.5% each year until reaching the 5% ultimate trend rate.

Mortality rates are from the RP-2000 Combined Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2012 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2012.

Projected claim costs of the medical plan are \$583 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.

(10) Risk Management

The County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 679 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, 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, 2012 were \$ 147,782.

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 casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their casualty capital contributions. If a member withdraws after the sixth year, the member is refunded 100% of its casualty capital contributions. However, the refund is reduced by an amount equal to the annual casualty 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 \$500,000 and \$100,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(11) Development Agreements

The County has entered into development agreements to assist in urban renewal projects, as follows:

The County agreed to rebate 100% of the incremental property tax paid by developers and a company organized as an Iowa limited liability company in exchange for the construction and maintenance of certain improvements. The incremental property tax to be received by the County under Chapter 403.19 of the Code of Iowa from the developers and company will be rebated in thirty semi-annual payments beginning on December 1, 2002. The total to be paid by the County under this agreement is not to exceed \$5,923,031. During the year ended June 30, 2013, \$284,817 was rebated to the company on behalf of the developers, with a cumulative total of \$2,467,757 rebated to the developers as of June 30, 2013. The County is in dispute with the developer and the amount rebated may be less.

The County agreed to rebate 62.26% of the incremental property tax paid by the developer in exchange for the construction of certain road, water and sanitary sewer improvements. The incremental property tax to be received by the County under Chapter 403.19 of the Code of Iowa from the developer will be rebated in twenty semi-annual payments beginning on December 1, 2003. The total to be paid by the County under this agreement is not to exceed \$300,000. During the year ended June 30, 2013, \$16,758 was rebated to the developer, with a cumulative total of \$100,588 rebated to the developer as of June 30, 2013.

(12) Financial Assurance

The County participates in an agreement with the Fremont County Landfill Commission, which was created under Chapter 28E of the Code of Iowa. The purpose of the Commission includes providing economic disposal of solid waste produced or generated within the member county and municipalities.

The County has provided a local government guarantee for a portion of the closure and postclosure care costs of the Commission in accordance with Chapter 567-104.26(5) of the Iowa Administrative Code. Total estimated costs for closure and postclosure care of the Commission as of June 30, 2013 are \$1,353,189 and the County's financial assurance obligation amount is \$865,532. At June 30, 2013, the County has met the guarantor conditions outlined in Chapter 567-104.26(5) of the Iowa Administrative Code.

In the event the Commission fails to perform closure or postclosure care in accordance with the appropriate plan or permit, whenever required to do so, or fails to obtain an alternate financial assurance within 90 days of intent to cancel, the County will perform or pay a third party to perform closure and/or postclosure care or establish a standby trust fund in the name of the Commission or obtain alternate financial assurance in the amount of the assured amount.

(13) Litigation

The County is subject to pending litigation resulting from a workers compensation claim. The amount of the loss, if any, is indeterminable. The county carries insurance to cover such losses.

(14) Subsequent Event

On March 18, 2014, the County authorized issuance of \$5,425,000 of general obligation bonds to build a law enforcement center. Issuance of the bonds was approved by voters of the County on May 7, 2013.

Required Supplementary Information

Fremont 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	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	\$ 4,762,279	-	4,762,279
Interest and penalty on property tax	42,370	-	42,370
Intergovernmental	3,726,453	60,575	3,665,878
Licenses and permits	24,801	-	24,801
Charges for service	327,844	-	327,844
Use of money and property	86,960	-	86,960
Miscellaneous	79,236	22,655	56,581
Total receipts	9,049,943	83,230	8,966,713
Disbursements:			
Public safety and legal services	1,679,863	-	1,679,863
Physical health and social services	199,582	-	199,582
Mental health	647,255	-	647,255
County environment and education	801,205	151,532	649,673
Roads and transportation	3,825,246	-	3,825,246
Governmental services to residents	294,883	-	294,883
Administration	1,578,494	-	1,578,494
Non-program	-	-	-
Debt service	142,348	-	142,348
Capital projects	136,895	-	136,895
Total disbursements	9,305,771	151,532	9,154,239
Excess (deficiency) of receipts over (under) disbursements	(255,828)	(68,302)	(187,526)
Other financing sources, net	174,860	-	174,860
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(80,968)	(68,302)	(12,666)
Balance beginning of year	4,120,631	77,048	4,043,583
Balance end of year	\$ 4,039,663	8,746	4,030,917

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Net
		Variance
5,073,015	5,073,015	(310,736)
24,045	24,045	18,325
4,340,834	5,086,876	(1,420,998)
22,350	22,350	2,451
294,155	294,155	33,689
72,242	72,242	14,718
83,062	83,062	(26,481)
9,909,703	10,655,745	(1,689,032)
1,735,958	1,753,958	74,095
315,010	315,010	115,428
1,391,499	1,391,499	744,244
766,055	766,055	116,382
3,802,000	4,252,000	426,754
404,009	404,009	109,126
1,285,816	1,711,708	133,214
2,300	2,300	2,300
142,348	142,348	-
303,000	303,000	166,105
10,147,995	11,041,887	1,887,648
(238,292)	(386,142)	198,616
166,348	166,348	8,512
(71,944)	(219,794)	207,128
3,865,445	3,865,445	178,138
3,793,501	3,645,651	385,266

Fremont 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	\$ 9,049,943	601,269	9,651,212
Expenditures	9,305,771	(129,934)	9,175,837
Net	(255,828)	731,203	475,375
Other financing sources, net	174,860	(15,601)	159,259
Beginning fund balances	4,120,631	996,022	5,116,653
Ending fund balances	\$ 4,039,663	1,711,624	5,751,287

See accompanying independent auditor's report.

Fremont County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2013

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

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except blended component units and 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 and the Special Revenue Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements \$893,892. The budget amendments are reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2013, disbursements did not exceed the amounts budgeted by function.

Fremont 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	Jul 1, 2009	-	\$ 125	125	0.00%	\$ 2,818	4.40%
2011	Jul 1, 2009	-	125	125	0.00	2,773	4.40
2012	Jul 1, 2009	-	125	125	0.00	2,594	4.80
2013	Jul 1, 2012	-	120	120	0.00	2,726	4.40

See Note 9 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

See accompanying independent auditor's report.

Supplementary Information

Fremont County
 Combining Balance Sheet
 Nonmajor Governmental Funds

June 30, 2013

	County Recorder's Records Management	County Recorder's Electronic Transaction Fee	Drainage Districts
Assets			
Cash and pooled investments	\$ 23,221	256	8,746
Receivables:			
Succeeding year property tax	-	-	
Drainage assessments	-	-	122,176
Total assets	\$ 23,221	256	130,922
Liabilities and Fund Balances			
Liabilities:			
Deferred revenue:			
Succeeding year property tax	\$ -	-	-
Other	-	-	122,176
Total liabilities	-	-	122,176
Fund balances:			
Restricted for:			
Drainage purposes	-	-	8,746
Other purposes	23,221	256	-
Total fund balances	23,221	256	8,746
Total liabilities and fund balances	\$ 23,221	256	130,922

See accompanying independent auditor's report.

Special Revenue					
Tax Increment Financing Rebate	Low to Moderate Income Assistance	Resource Enhancement and Protection	County Attorney Special Law Enforcement	Sheriff Special Law Enforcement	Total
-	48,998	45,571	919	30,612	158,323
286,000	-	-	-	-	286,000
	-	-	-	-	122,176
286,000	48,998	45,571	919	30,612	566,499
286,000	-	-	-	-	286,000
-	-	-	-	-	122,176
286,000	-	-	-	-	408,176
-	-	-	-	-	8,746
-	48,998	45,571	919	30,612	149,577
-	48,998	45,571	919	30,612	158,323
286,000	48,998	45,571	919	30,612	566,499

Fremont County

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

Year ended June 30, 2013

	County Recorder's Records Management	County Recorder's Electronic Transaction Fee	Drainage Districts
Revenues:			
Tax increment financing	\$ -	-	-
Intergovernmental	-	-	-
Charges for service	1,949	1	-
Use of money and property	34	-	-
Miscellaneous	-	-	22,655
Total revenues	1,983	1	22,655
Expenditures:			
Operating:			
Public safety and legal services	-	-	-
County environment and education	-	-	185,454
Total expenditures	-	-	185,454
Excess (deficiency) of revenues over (under) expenditures	1,983	1	(162,799)
Other financing sources (uses):			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Drainage warrants issued	-	-	130,922
Total other financing sources (uses)	-	-	130,922
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,983	1	(31,877)
Fund balances beginning of year	21,238	255	40,623
Fund balances end of year	\$ 23,221	256	8,746

See accompanying independent auditor's report.

Special Revenue					
Tax Increment Financing Rebate	Low to Moderate Income Assistance	Resource Enhancement and Protection	County Attorney Special Law Enforcement	Sheriff Special Law Enforcement	Total
311,733	-	-	-	-	311,733
-	-	8,791	-	700	9,491
-	-	-	-	-	1,950
-	-	76	-	-	110
-	-	-	-	4,175	26,830
311,733	-	8,867	-	4,875	350,114
-	-	-	-	1,510	1,510
301,575	3,000	11,035	-	-	501,064
301,575	3,000	11,035	-	1,510	502,574
10,158	(3,000)	(2,168)	-	3,365	(152,460)
-	10,158	-	-	-	10,158
(10,158)	-	-	-	-	(10,158)
-	-	-	-	-	130,922
(10,158)	10,158	-	-	-	130,922
-	7,158	(2,168)	-	3,365	(21,538)
-	41,840	47,739	919	27,247	179,861
-	48,998	45,571	919	30,612	158,323

Fremont 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	\$ -	2,838	131,665	103,917
Other County officials	11,637	-	-	-
Receivables:				
Property tax:				
Delinquent	-	730	973	39,906
Succeeding year	-	141,000	188,000	7,446,000
Accounts	21	-	-	-
Drainage assessments	-	-	-	-
Prepaid items	-	-	-	-
Total assets	\$ 11,658	144,568	320,638	7,589,823
Liabilities				
Accounts payable	\$ -	-	-	-
Salaries and benefits payable	-	-	2,867	-
Due to other governments	6,785	144,568	270,796	7,589,823
Trusts payable	4,873	-	-	-
Compensated absences	-	-	46,975	-
Total liabilities	\$ 11,658	144,568	320,638	7,589,823

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Drainage Districts	Other	Total
8,228	43,521	2,483	162,746	382,055	150,164	987,617
-	-	-	-	-	-	11,637
2,390	14,820	711	-	-	-	59,530
472,000	1,794,000	205,000	-	-	2,000	10,248,000
-	-	-	-	-	5	26
-	-	-	-	181,832	-	181,832
-	-	-	-	-	2,422	2,422
482,618	1,852,341	208,194	162,746	563,887	154,591	11,491,064
-	-	-	-	-	299	299
-	-	-	-	-	724	3,591
482,618	1,852,341	208,194	162,746	563,887	153,568	11,435,326
-	-	-	-	-	-	4,873
-	-	-	-	-	-	46,975
482,618	1,852,341	208,194	162,746	563,887	154,591	11,491,064

Fremont County

Combining Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds

Year ended June 30, 2013

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets and Liabilities				
Balances beginning of year	\$ 31,697	142,659	353,365	6,541,198
Additions:				
Property and other county tax	-	140,991	188,469	7,460,088
E911 surcharge	-	-	-	-
State tax credits	-	6,885	12,574	317,523
Drivers license fees	-	-	-	-
Office fees and collections	212,201	-	-	-
Electronic transaction fees	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	253,624	-	-	-
Miscellaneous	-	-	2,402	-
Total additions	465,825	147,876	203,445	7,777,611
Deductions:				
Agency remittances:				
To other funds	68,142	-	-	-
To other governments	143,987	145,967	236,172	6,728,986
Trusts paid out	273,735	-	-	-
Total deductions	485,864	145,967	236,172	6,728,986
Balances end of year	\$ 11,658	144,568	320,638	7,589,823

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Drainage Districts	Other	Total
529,068	1,791,125	194,897	173,801	201,147	223,782	10,182,739
472,950	1,783,175	206,607	-	-	1,527	10,253,807
-	-	-	-	-	35,329	35,329
25,308	72,130	9,350	-	-	76	443,846
-	-	-	38,681	-	-	38,681
-	-	-	-	-	490	212,691
-	-	-	-	-	1,949	1,949
-	-	-	2,449,037	-	-	2,449,037
-	-	-	-	499,134	-	499,134
-	-	-	-	-	190,270	443,894
-	1,641	-	-	134,927	89,088	228,058
498,258	1,856,946	215,957	2,487,718	634,061	318,729	14,606,426
-	-	-	120,162	-	-	188,304
544,708	1,795,730	202,660	2,378,611	271,321	181,491	12,629,633
-	-	-	-	-	206,429	480,164
544,708	1,795,730	202,660	2,498,773	271,321	387,920	13,298,101
482,618	1,852,341	208,194	162,746	563,887	154,591	11,491,064

Fremont 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	\$ 3,974,230	3,667,670	3,502,764	3,207,927
Local option sales tax	392,161	339,736	340,242	276,560
Hotel/motel tax	125,396	80,494	109,190	104,837
Tax increment financing	311,733	342,040	353,311	331,228
Interest and penalty on property tax	41,216	47,182	31,395	36,418
Intergovernmental	4,252,581	5,855,574	3,954,807	3,943,988
Licenses and permits	24,093	15,676	10,014	14,384
Charges for service	322,460	294,534	294,739	297,077
Use of money and property	86,218	80,873	109,033	143,749
Miscellaneous	121,124	170,428	113,870	242,230
Total	\$ 9,651,212	10,894,207	8,819,365	8,598,398
Expenditures:				
Operating:				
Public safety and legal services	\$ 1,660,240	1,700,924	1,678,496	1,632,171
Physical health and social services	198,747	188,377	232,310	225,919
Mental health	557,711	1,147,737	986,080	1,031,039
County environment and education	857,130	837,439	686,860	709,649
Roads and transportation	3,876,087	4,759,708	3,482,456	3,303,655
Governmental services to residents	294,987	291,491	304,531	305,626
Administration	1,561,724	876,102	1,072,083	966,078
Non-program	-	-	-	-
Capital projects	26,863	1,454,366	198,276	214,622
Debt service	142,348	146,693	145,840	144,740
Total	\$ 9,175,837	11,402,837	8,786,932	8,533,499

See accompanying independent auditor's report.

Modified Accrual Basis					
2009	2008	2007	2006	2005	2004
2,891,750	2,796,186	2,954,419	2,896,357	2,980,737	2,958,560
298,869	354,818	366,556	320,013	301,586	309,600
136,810	125,265	-	-	-	-
294,230	287,926	249,628	226,431	246,880	193,882
34,779	32,132	32,363	36,374	31,149	29,109
3,609,589	3,441,598	3,803,528	3,569,818	3,355,608	3,475,783
21,737	13,748	11,085	15,238	13,932	18,424
281,712	245,832	266,114	267,302	282,084	296,107
200,421	273,144	295,786	198,819	144,583	147,749
334,715	288,346	70,275	89,066	65,073	125,355
8,104,612	7,858,995	8,049,754	7,619,418	7,421,632	7,554,569
1,577,670	1,589,735	1,440,145	1,541,422	1,490,027	1,429,674
173,847	173,261	160,364	151,511	156,665	132,073
1,094,904	1,131,939	1,148,688	1,076,418	1,011,944	995,212
592,200	798,325	569,297	544,600	600,397	478,330
3,540,488	3,081,546	2,847,459	3,132,924	4,048,002	3,974,302
311,891	308,794	283,362	394,944	331,275	279,894
931,847	949,115	904,719	894,836	814,262	746,481
5,750	-	-	540	1,015	215
181,268	197,167	141,305	284,134	45,766	226,211
143,445	133,296	-	-	-	-
8,553,310	8,363,178	7,495,339	8,021,329	8,499,353	8,262,392

Fremont County
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2013

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Direct:			
U.S. Department of the Interior:			
Payments in Lieu of Taxes	15.226		\$ <u>10,083</u>
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		<u>3,719</u>
U.S. Department of Justice:			
Iowa Department of Justice:			
Crime Victim Assistance Division:			
Crime Victim Assistance	16.575	VA-13-68	<u>5,743</u>
Iowa Department of Public Safety:			
National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants	20.614	PAP 13-03, Task 156	<u>4,500</u>
U.S. Department of Health and Human Services:			
Iowa Department of Public Health:			
Public Health Emergency Preparedness	93.069	5883BT36	<u>21,508</u>
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Refugee and Entrant Assistance_State Administered Programs	93.566		<u>17</u>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		<u>860</u>
Foster Care-Title IV-E	93.658		<u>1,296</u>
Adoption Assistance	93.659		<u>362</u>
Social Services Block Grant	93.667		<u>1,127</u>
Children's Health Insurance Program	93.767		<u>14</u>
Medical Assistance Program	93.778		<u>3,700</u>

Fremont County
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2013

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
U.S. Department of Homeland Security:			
Iowa Department of Public Defense:			
Iowa Homeland Security and Emergency			
Management Division:			
Disaster Grants - Public Assistance			
(Presidentially Declared Disasters)	97.036	DR-IA 1998	794,948
Emergency Management Performance Grants	97.042	EMPG-12-PT-36	7,286
Homeland Security Grant Program	97.067	2010-SS-T00031-03	1,276
Total indirect			846,356
Total			\$ 856,439

Basis of Presentation – The Schedule of Expenditures of Federal Awards includes the federal grant activity of Fremont County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See accompanying independent auditor's report.

**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**



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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 Fremont 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 Fremont 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 May 12, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fremont 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 Fremont County's internal control. Accordingly, we do not express an opinion on the effectiveness of Fremont 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 and Questioned Costs, we identified certain deficiencies in internal control we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility 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 Part II of the accompanying Schedule of Findings and Questioned Costs as items II-A-13 and II-B-13 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 Part II of the accompanying Schedule of Findings and Questioned Costs as items II-C-13 and II-D-13 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fremont 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 in Part IV of the accompanying Schedule of Findings and Questioned Costs.

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.

Fremont County's Responses to the Findings

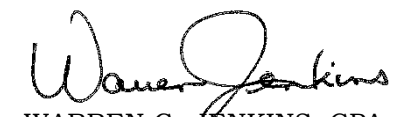
Fremont County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Fremont County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion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

May 12, 2014

**Independent Auditor's Report on Compliance
for Each Major Program and on Internal Control over Compliance
Required by OMB Circular A-133**

Fremont County



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Independent Auditor's Report on Compliance
for Each Major Program and on Internal Control over Compliance
Required by OMB Circular A-133

To the Officials of Fremont County:

Report on Compliance for Each Major Federal Program

We have audited Fremont County, Iowa's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on its major federal program for the year ended June 30, 2013. Fremont County's major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Fremont County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Fremont County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Fremont County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2013.

Report on Internal Control Over Compliance


The management of Fremont County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Fremont County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Fremont County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance we consider to be material weaknesses. However material weaknesses may exist which have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


MARY MOSIMAN, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

May 12, 2014

Fremont County
Schedule of Findings
Year ended June 30, 2013

Part I: Summary of the Independent Auditor's Results:

- (a) Unmodified opinions were issued on the financial statements.
- (b) Significant deficiencies and material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over the major program were disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit did not disclose any findings which are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The major program was CFDA Number 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters).
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Fremont County did not qualify as a low-risk auditee.

Fremont County

Schedule of Findings

Year ended June 30, 2013

Part II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

II-A-13 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 more individuals in these offices have control over the following areas for which no compensating controls exist:

	<u>Applicable Offices</u>
(1) Receipts - collecting, recording and posting receipts and maintaining receivable records.	County Treasurer and County Extension Office
(2) Investments - investing, custody and accounting.	County Treasurer
(3) Bank accounts are not reconciled at the end of each month by an individual who does not sign checks, handle or record cash.	County Treasurer
(4) One individual has custody of the change fund and can handle more than one fund, along with other cash receipts, and can also collect and reconcile receipts.	County Treasurer
(5) Timesheets - One individual records timesheet information and also approves timesheets.	County Sheriff

Recommendation – We realize segregation of duties is difficult with a limited number of employees. However, each official should review the operating procedures of their office to obtain the maximum internal control possible under the circumstances. The official should utilize current personnel, including other elected officials or personnel from other County offices, to provide additional control through review of financial transactions, reconciliations and reports.

Responses –

- (1) County Treasurer - Employees take turns in collecting mail. The Treasurer opens the mail and records in a spreadsheet, including name, bank, amount and check number. All employees enter receipts. I have established a rotation schedule for reconciling and daily balancing.

Fremont County
Schedule of Findings
Year ended June 30, 2013

- (1) County Extension Office – With limited staff, we make every effort to segregate duties. The Chairperson, Secretary and Treasurer of the Extension Council are all required to approve monthly vouchers.
- (2) A request for interest quotes is emailed to all banks by a tax deputy (rotated). A quote sheet is prepared for the Treasurer's approval. Only the Treasurer can cash or purchase investments. Spreadsheets are prepared for individual investments by tax deputies (rotated).
- (3) All employees are needed to sign checks, handle or record cash to serve the customers.
- (4) All employees are trained in each division of the office. We rotate daily balancing. To serve our customers, all must handle and receipt money received.
- (5) The County Sheriff or Chief Deputy will approve the reserve officer timesheets prior to submittal as a claim.

Conclusions – Responses acknowledged. Segregation of duties helps prevent losses from employee error or dishonesty and, therefore, maximizes the accuracy of the County's financial statements.

- II-B-13 Financial Reporting – During the audit, we identified material amounts of receivables and payables not recorded in the correct year in the financial statements. Adjustments were subsequently made by the County to properly reflect these amounts.

Recommendation – The County should implement procedures to ensure all receivables and payables are identified and properly recorded in the County's financial statements.

Response – We will work to ensure items are recorded to the proper fiscal year.

Conclusion – Response accepted.

- II-C-13 County Conservation - Annual golf course membership fees are not reconciled with a listing of golf course members and are not reconciled to deposits with the County Treasurer's Office.

Recommendation – Annual golf course membership fees should be reconciled with a listing of golf course members and all collections should be traced to deposits with the County Treasurer's Office. This reconciliation should be reviewed by an independent person.

Response – We will have our board secretary reconcile our revenue summary, initial and date for fiscal year 2014.

Conclusion – Response accepted.

Fremont County

Schedule of Findings

Year ended June 30, 2013

II-D-13 Accounting Policies and Procedures Manual – The Sherriff's office does not have a written standardized accounting policies and procedures manual.

Recommendation – An accounting policies and procedures manual should be developed to provide the following benefits:

- Aid in training additional or replacement personnel.
- Help achieve uniformity in accounting and in the application of policies and procedures.

Response – The Sheriff's Office will begin developing an accounting policy and procedure manual.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Fremont County
Schedule of Findings
Year ended June 30, 2013

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

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

Fremont County
 Schedule of Findings
 Year ended June 30, 2013

Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-13 Certified Budget – Disbursements during the year ended June 30, 2013 did not exceed the amounts budgeted.
- IV-B-13 Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- IV-C-13 Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- IV-D-13 Business Transactions – Business transactions between the County and County officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Nancy Henneman, Mental Health Department Secretary, son owns Henneman Lawn Service/Snow Removal	Custodial, repair and maintenance	\$ 1,925
Nancy Henneman, Mental Health Department Secretary, co-owner with her husband Dennis of Henneman Auto Parts	Parts, fuel and maintenance	8,021
Jarod Johnson, Reserve Deputy Sheriff, owner of Johnson Repairs	Sheriff’s Office vehicle maintenance	3,842

In accordance with Chapter 331.342(2) of the Code of Iowa, the transactions with Nancy Henneman and Jared Johnson may represent conflicts of interest since the transactions exceeded \$1,500 and were not competitively bid.

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

Response – Our custodian left suddenly and we used Chris Henneman for mowing and parking lot services until we could hire a new custodian.

We are a very small county with very few options on where to buy our products. If we did not purchase from Henneman Auto Parts (right across the street) we would have to drive several miles to another town (in another county) or another state (Nebraska).

Jarod Johnson no longer does our Sheriff vehicle maintenance.

Conclusion – Response acknowledged. The County should consult legal counsel to determine the disposition of this matter.

Fremont County

Schedule of Findings

Year ended June 30, 2013

- IV-E-13 Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- IV-F-13 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-G-13 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.
- IV-H-13 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).
- IV-I-13 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.

- IV-J-13 Annual Urban Renewal Report – The annual urban renewal report was not properly approved and certified to the Iowa Department of Management on or before December 1. In addition, the Levy Authority Summary receipts and disbursements were understated by \$38,760.

Recommendation – The County should ensure the annual urban renewal report is properly approved and certified to the Iowa Department of Management on or before December 1. In addition, the County should ensure the amounts reported on the Levy Authority Summary agree with the records and represent activity reported in the Special Revenue, Urban Renewal Tax Increment Fund.

Response – An email from the Iowa Department of Management dated November 11, 2012 states they were facing technology hurdles, as well as various system errors that needed to be corrected. This was hampering my ability to complete the report and make it available prior to board meetings. The email stated there is no penalty for a late filed report this year.

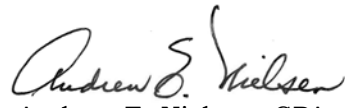
Conclusion – Response accepted.

Fremont County

Staff

This audit was performed by:

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Elissa R. Olson, Staff Auditor
Kaylynn D. Short, Staff Auditor
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