



OFFICE OF AUDITOR OF STATE

STATE OF IOWA

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Mary Mosiman, CPA
Auditor of State

NEWS RELEASE

FOR RELEASE

March 9, 2015

Contact: Andy Nielsen
515/281-5834

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

The County had local tax revenue of \$9,127,200 for the year ended June 30, 2014, which included \$523,926 in tax credits from the state. The County forwarded \$5,675,349 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$3,451,851 of the local tax revenue to finance County operations, a 6% increase from the prior year. Other revenues included charges for service of \$1,320,846, operating grants, contributions and restricted interest of \$2,862,092, local option sales tax of \$323,187, unrestricted investment earnings of \$10,906 and other general revenues of \$155,645.

Expenses for County operations for the year ended June 30, 2014 totaled \$7,880,690, a 6.5% increase from the prior year. Expenses included \$3,469,778 for roads and transportation, \$1,346,695 for public safety and legal services and \$1,101,412 for physical health and social services.

The increase in revenues is due primarily to an increase in property tax and additional intergovernmental revenue associated with secondary road projects. The increase in expenses is due primarily to costs associated with road and jail projects.

A copy of the audit report is available for review in the County Auditor's Office, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1410-0093-B00F.pdf>.

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WAYNE COUNTY
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS
JUNE 30, 2014

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Wayne County

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
John Sellers	Board of Supervisors	Nov 2014
Billy Joe Alley	Board of Supervisors	Jan 2015
Duffy Kester	Board of Supervisors	Jan 2017
Sue Ruble	County Auditor	Jan 2017
Kim Swearingin	County Treasurer	Jan 2015
Angie Horton	County Recorder	Jan 2015
Keith Davis	County Sheriff	Jan 2017
Alan Wilson	County Attorney	Jan 2015
Kay Middlebrook	County Assessor	Jan 2016

Wayne County



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Independent Auditor's Report

To the Officials of Wayne 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 Wayne County, Iowa, as of and for the year ended June 30, 2014, 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 Wayne County as of June 30, 2014, 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 9 through 15 and 44 through 48 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 Wayne 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, 2013 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 6, 2015 on our consideration of Wayne 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 Wayne County's internal control over financial reporting and compliance.


MARY MOSIMAN, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

February 6, 2015

Wayne County

MANAGEMENT'S DISCUSSION AND ANALYSIS

Wayne County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2014. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2014 FINANCIAL HIGHLIGHTS

- Revenues of the County's governmental activities increased 4.4%, or approximately \$342,000, from fiscal year 2013 to fiscal year 2014. Property tax increased approximately \$193,000 and charges for service increased approximately \$209,000, while the gain on disposition of capital assets decreased approximately \$34,000.
- Program expenses of the County's governmental activities were 6.5%, or approximately \$481,000, more in fiscal year 2014 than in fiscal year 2013. Roads and transportation expenses increased approximately \$214,000, county environment and education expenses increased approximately \$112,000 and administration expenses increased approximately \$104,000.
- The County's net position increased 2.0%, or approximately \$244,000, from June 30, 2013 to June 30, 2014.

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

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

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

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

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

The County has two kinds of funds:

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

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

2) Fiduciary funds are used to report assets held in a trust or agency capacity for others which cannot be used to support the County's own programs. These fiduciary funds include Agency Funds that account for emergency management services 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. Wayne County's combined net position at the end of the fiscal year totaled approximately \$12.2 million. This compares to approximately \$12 million at the end of fiscal year 2013. The analysis that follows focuses on the changes in the net position of governmental activities.

Net Position of Governmental Activities (Expressed in Thousands)		
	June 30,	
	2014	2013
Current and other assets	\$ 12,403	12,092
Capital assets	9,641	9,905
Total assets	<u>22,044</u>	<u>21,997</u>
Long-term liabilities	6,136	6,347
Other liabilities	408	373
Total liabilities	<u>6,544</u>	<u>6,720</u>
Deferred inflows of resources	<u>3,256</u>	<u>3,277</u>
Net position:		
Net investment in capital assets	6,531	6,567
Restricted	4,164	4,246
Unrestricted	<u>1,549</u>	<u>1,187</u>
Total net position	<u>\$ 12,244</u>	<u>12,000</u>

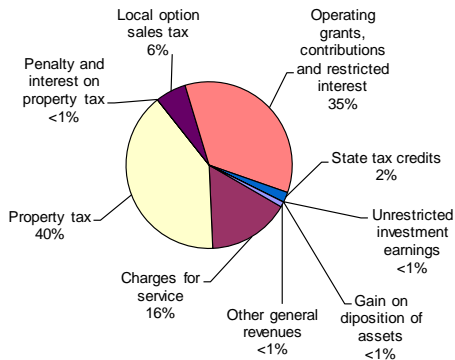
Net position of Wayne County's governmental activities increased 2.0% (approximately \$12.2 million compared to approximately \$12 million). The largest portion of the County's net position is invested in capital assets (e.g., infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. 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 approximately \$1,187,000 to approximately \$1,549,000 at the end of this year, an increase of 30.5%.

The increase of approximately \$362,000 in unrestricted net position was primarily a result of the excess of revenues over expenditures in the General Fund. Restricted net position decreased approximately \$82,000, primarily due to an increase in rural services expenses and secondary road expenses.

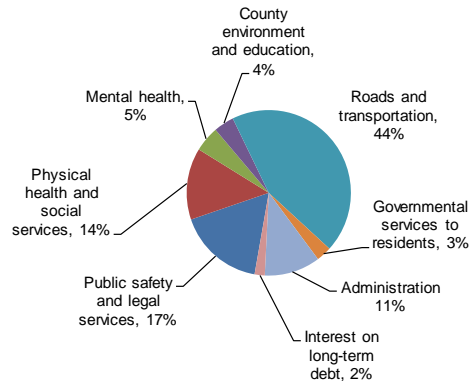
Changes in Net Position of Governmental Activities
(Expressed in Thousands)

	Year ended June 30,	
	2014	2013
Revenues:		
Program revenues:		
Charges for service	\$ 1,321	1,112
Operating grants, contributions and restricted interest	2,862	2,821
General revenues:		
Property tax	3,276	3,083
Penalty and interest on property tax	37	47
State tax credits	176	177
Local option sales tax	323	353
Unrestricted investment earnings	11	11
Gain on disposition of capital assets	5	39
Other general revenues	114	140
Total revenues	8,125	7,783
Program expenses:		
Public safety and legal services	1,347	1,279
Physical health and social services	1,101	1,079
Mental health	371	393
County environment and education	340	228
Roads and transportation	3,470	3,256
Governmental services to residents	224	227
Administration	830	726
Non-program	11	13
Interest on long-term debt	187	199
Total expenses	7,881	7,400
Increase in net position	244	383
Net position beginning of year	12,000	11,617
Net position end of year	\$ 12,244	12,000

Revenues by Source



Expenses by Program



Revenues of governmental activities increased approximately \$342,000 from the prior year, primarily due to an increase of approximately \$402,000 in charges for service and property tax. The increase was a result of the County increasing the property tax levy rate, an increase in prisoner fees and an increase of Medicaid receipts due to the restructuring of mental health services. Overall, property tax increased approximately \$193,000, or 6.3%, charges for service increased approximately \$209,000, or 18.8%, and the gain on disposition of capital assets decreased approximately \$34,000, or 87.2%.

The cost of all governmental activities this year was approximately \$7.88 million compared to approximately \$7.4 million last year, a 6.5% increase. However, as shown in the Statement of Activities on page 19, the amount taxpayers ultimately financed for these activities was approximately \$3.7 million because some of the cost was paid by those directly benefited from the programs (approximately \$1.3 million) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately \$2.9 million). Overall, the County's government program revenues, including intergovernmental aid and fees for service, increased in fiscal year 2014 from approximately \$3,933,000 to approximately \$4,183,000, principally due to an increase in property tax and charges for service.

INDIVIDUAL MAJOR FUND ANALYSIS

As Wayne County completed the year, its governmental funds reported a combined fund balance of approximately \$8.5 million, an increase of approximately \$339,000 from last year's total of approximately \$8.2 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- The General Fund balance increased \$484,504, or 26.1%, to \$2,337,510. Revenues increased \$416,109, or 12%, primarily due to an increase in property tax and increased medicare and medicaid revenue for residents of the New Venture Group Home included in the General Fund versus the Special Revenue, Mental Health Fund in fiscal year 2013. Expenditures increased \$414,659, or 13.9%, due to the New Venture Group Home costs being included in the General Fund, the purchase of two vehicles for the Sheriff's Office and the Conservation Department, the hiring of a new Conservation Director, increased costs for jail operations and administration and increased costs for courthouse maintenance.
- The Special Revenue, Mental Health Fund balance increased \$69,276 from the prior year to a balance of \$6,652. Revenues decreased \$59,849, or 16.8%, from the prior year, primarily due to decreased intergovernmental revenue since the County did not receive mental health transition/regionalization money in fiscal year 2014. Also, the County began recording revenue for the New Venture Group Home in the General Fund instead of the Mental Health Fund. Expenditures decreased \$152,864, or 40.2%, primarily due to the New Venture Group Home costs not being recorded in the Mental Health Fund and the County no longer being required to pay a third of all waiver billings as a result of the statewide mental health redesign.
- The Special Revenue, Rural Services Fund balance decreased \$44,071 from the prior year to \$474,045. Revenues decreased \$35,774 primarily due to a decrease in intergovernmental revenue. Expenditures remained relatively stable.
- The Special Revenue, Secondary Roads Fund balance decreased \$74,205, or 2.8%, to \$2,612,224. Revenues increased \$109,527 from the prior year and expenditures increased \$172,378 from the prior year. The increase in revenues is primarily due to an increase in intergovernmental revenue associated with road and bridge projects. The increase in expenditures is primarily due to an increase in costs for road projects and a bridge project totaling approximately \$205,000.

- The Special Revenue, Local Option Sales Tax Fund balance decreased \$83,606, or 2.9%, to \$2,784,260. Revenues decreased \$29,435 from the prior year to \$335,963, primarily due to a decrease in local option sales tax during fiscal year 2014. This fund also reported expenditures of \$419,569, an increase of \$31,510, or 8.1%, representing the current year's debt service payments for the 2008 general obligation bonds and the 2012 refunding bonds, as well as \$53,047 for the completion of the jail addition.

BUDGETARY HIGHLIGHTS

Over the course of the year, Wayne County amended its budget one time. The amendment was made in May 2014 and included increased budgeted disbursements of \$36,000, \$122,665, \$110,370, \$66,000 and \$37,200 for the public safety and legal services, physical health and social services, county environment and education, administration and debt service functions, respectively. The increases were necessary to prevent various departments from over spending budgeted amounts due to unanticipated expenses.

The County's receipts were \$691,658 more than budgeted, a variance of 9.3%. Intergovernmental receipts were \$585,140 more than budgeted, primarily due to a significant increase in FEMA funds received, which was unanticipated. Charges for service receipts were \$62,262 more than budgeted due to an increase in fees for the care of additional jail inmates.

Total disbursements were \$856,768, or 9.9%, less than the amended budget. The County exceeded the budget in the county environment and education, debt service and capital projects functions by \$59,538, \$18,955 and \$7,991, respectively, due to more costs than anticipated. Actual disbursements for public safety and legal services, roads and transportation, and administration were \$143,547, \$518,636 and \$128,830, respectively, less than budgeted as actual costs in these areas were less than originally expected.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2014, Wayne County had approximately \$9.6 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This is a net decrease (including additions and deletions) of approximately \$264,000, or 2.7%, from last year.

The County had depreciation expense of \$621,425 in fiscal year 2014 and total accumulated depreciation of \$6,487,285 at June 30, 2014. More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

At June 30, 2014, the County had \$5,715,000 of general obligation bonds/notes outstanding, compared to \$5,985,000 at June 30, 2013. The County paid \$270,000 of principal on the general obligation bonds/notes during the year ended June 30, 2014.

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. Wayne County's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$13.6 million. Additional information about the County's long-term debt is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Wayne County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2015 budget, tax rates and fees charged for various County activities. In an ongoing effort to maintain County services, the Wayne County Board of Supervisors is committed to limiting expenditure increases and reducing funding to non-mandated programs to provide essential services for the citizens of Wayne County.

The fiscal year 2015 county-wide property tax levy decreased from \$9.64071 per \$1,000 of taxable valuation to \$8.77794 per \$1,000 of taxable valuation while the rural services property tax levy increased from \$4.15765 per \$1,000 of taxable valuation to \$5.648 per \$1,000 of taxable valuation. The fiscal year 2015 taxable valuations for incorporated areas and rural areas decreased 0.7% and 1.8%, respectively, from the prior year.

Budgeted disbursements in the fiscal year 2015 operating budget are \$8,348,461, a decrease of 3.6% from the final fiscal year 2014 budget. The decrease of approximately \$313,600 is mainly due to decreased expenditures in the administration function.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Wayne County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Wayne County Auditor's Office, 100 N. Lafayette, Corydon, Iowa, 50060.

Wayne County

Basic Financial Statements

Exhibit A

Wayne County
Statement of Net Position
June 30, 2014

	<u>Governmental Activities</u>
Assets	
Cash, cash equivalents and pooled investments:	
County Treasurer	\$ 5,539,505
Component units	14,965
U.S. Treasury securities on deposit with escrow agent	2,605,342
Receivables:	
Property tax:	
Delinquent	13,936
Succeeding year	3,256,000
Interest and penalty on property tax	25,704
Accounts	11,330
Accrued interest	875
Due from other governments	557,892
Inventories	319,313
Prepaid insurance	57,990
Capital assets, net of accumulated depreciation	9,640,778
Total assets	<u>22,043,630</u>
Liabilities	
Accounts payable	246,086
Accrued interest payable	14,804
Salaries and benefits payable	114,352
Due to other governments	33,088
Long-term liabilities:	
Portion due or payable within one year:	
General obligation bonds/notes	280,000
Compensated absences	101,769
Portion due or payable after one year:	
General obligation bonds/notes	5,435,000
Compensated absences	119,042
Net OPEB liability	199,365
Total liabilities	<u>6,543,506</u>
Deferred Inflows of Resources	
Unavailable property tax revenue	<u>3,256,000</u>
Net Position	
Net investment in capital assets	6,531,120
Restricted for:	
Supplemental levy purposes	578,803
Rural services purposes	474,045
Secondary roads purposes	2,630,710
Conservation purposes	298,627
Debt service	164,715
Other purposes	17,548
Unrestricted	1,548,556
Total net position	<u>\$ 12,244,124</u>

See notes to financial statements.

Wayne County

Statement of Activities

Year ended June 30, 2014

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Service	Operating Grants, Contributions and Restricted Interest	
Functions/Programs:				
Governmental activities:				
Public safety and legal services	\$ 1,346,695	221,662	65,953	(1,059,080)
Physical health and social services	1,101,412	860,065	133,515	(107,832)
Mental health	371,303	12,674	93,343	(265,286)
County environment and education	340,367	31,136	49,073	(260,158)
Roads and transportation	3,469,778	32,333	2,507,432	(930,013)
Governmental services to residents	223,858	153,378	-	(70,480)
Administration	829,850	9,598	-	(820,252)
Non-program	10,678	-	-	(10,678)
Interest and fees on long-term debt	186,749	-	12,776	(173,973)
Total	\$ 7,880,690	1,320,846	2,862,092	(3,697,752)
General Revenues:				
Property and other county tax levied for:				
General purposes				3,155,479
Debt service				120,333
Penalty and interest on property tax				37,027
State tax credits				176,039
Local option sales tax				323,187
Unrestricted investment earnings				10,906
Gain on disposition of capital assets				4,501
Miscellaneous				114,117
Total general revenues				3,941,589
Change in net position				243,837
Net position beginning of year				12,000,287
Net position end of year				\$ 12,244,124

See notes to financial statements.

Wayne County

Balance Sheet
Governmental Funds

June 30, 2014

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ 2,607,957	22,189	168,976	2,338,047
Component units	-	-	-	-
U.S. Treasury securities on deposit with escrow agent	-	-	-	-
Receivables:				
Property tax:				
Delinquent	10,503	1,190	1,642	-
Succeeding year	1,836,000	235,000	1,063,000	-
Interest and penalty on property tax	25,704	-	-	-
Accounts	11,330	-	-	-
Accrued interest	874	-	-	-
Advance to other funds	-	-	310,000	-
Due from other governments	125,010	-	7,951	369,306
Inventories	-	-	-	319,313
Prepaid insurance	39,866	-	-	18,124
Total assets	\$ 4,657,244	258,379	1,551,569	3,044,790
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 58,634	957	3,475	182,845
Salaries and benefits payable	61,678	1,271	9,407	41,996
Advance from other funds	310,000	-	-	-
Due to other governments	17,215	13,309	-	2,564
Total liabilities	447,527	15,537	12,882	227,405
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	1,836,000	235,000	1,063,000	-
Other	36,207	1,190	1,642	205,161
Total deferred inflows of resources	1,872,207	236,190	1,064,642	205,161
Fund balances:				
Nonspendable:				
Inventories	-	-	-	319,313
Prepaid insurance	39,866	-	-	18,124
Advance to other funds	-	-	310,000	-
Restricted for:				
Supplemental levy purposes	582,890	-	-	-
Mental health purposes	-	6,652	-	-
Rural services purposes	-	-	164,045	-
Secondary roads purposes	-	-	-	2,274,787
Conservation land acquisition	22,341	-	-	-
Debt service	-	-	-	-
Other purposes	-	-	-	-
Committed for:				
Conservation educational services	28,926	-	-	-
Park enhancements	3,385	-	-	-
Hardware and software enhancements	56,206	-	-	-
Courthouse maintenance	41,431	-	-	-
Assigned for promotion of public health	41,082	-	-	-
Unassigned	1,521,383	-	-	-
Total fund balances	2,337,510	6,652	474,045	2,612,224
Total liabilities, deferred inflows of resources and fund balances	\$ 4,657,244	258,379	1,551,569	3,044,790

See notes to financial statements.

Local Option Sales Tax	Nonmajor	Total
123,292	279,044	5,539,505
-	14,965	14,965
2,605,342	-	2,605,342
-	601	13,936
-	122,000	3,256,000
-	-	25,704
-	-	11,330
1	-	875
-	-	310,000
55,625	-	557,892
-	-	319,313
-	-	57,990
<u>2,784,260</u>	<u>416,610</u>	<u>12,712,852</u>
-	175	246,086
-	-	114,352
-	-	310,000
-	-	33,088
-	175	703,526
-	122,000	3,256,000
-	600	244,800
-	122,600	3,500,800
-	-	319,313
-	-	57,990
-	-	310,000
-	-	582,890
-	-	6,652
-	-	164,045
-	-	2,274,787
-	276,286	298,627
2,784,260	1	2,784,261
-	17,548	17,548
-	-	28,926
-	-	3,385
-	-	56,206
-	-	41,431
-	-	41,082
-	-	1,521,383
<u>2,784,260</u>	<u>293,835</u>	<u>8,508,526</u>
<u>2,784,260</u>	<u>416,610</u>	<u>12,712,852</u>

Wayne County

Wayne County

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

June 30, 2014

Total governmental fund balances (page 21) \$ 8,508,526

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$16,128,063 and the accumulated depreciation is \$6,487,285. 9,640,778

Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds. 244,800

Long-term liabilities, including general obligation bonds/notes payable, compensated absences payable, other postemployment benefits payable and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (6,149,980)

Net position of governmental activities (page 18) \$ 12,244,124

See notes to financial statements.

Wayne County

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

Year ended June 30, 2014

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Revenues:				
Property and other county tax	\$ 2,109,799	238,854	808,243	-
Local option sales tax	-	-	-	-
Interest and penalty on property tax	42,957	-	-	-
Intergovernmental	1,111,443	44,339	98,739	2,539,931
Licenses and permits	-	-	8,228	1,080
Charges for service	443,999	12,674	2,025	-
Use of money and property	106,401	-	-	-
Miscellaneous	75,112	1,200	65	31,253
Total revenues	<u>3,889,711</u>	<u>297,067</u>	<u>917,300</u>	<u>2,572,264</u>
Expenditures:				
Operating:				
Public safety and legal services	997,151	-	277,047	-
Physical health and social services	1,041,578	-	49,930	-
Mental health	132,511	227,791	-	-
County environment and education	186,334	-	98,557	-
Roads and transportation	-	-	-	2,964,008
Governmental services to residents	214,367	-	3,140	-
Administration	821,703	-	-	-
Non-program	10,678	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	215,158
Total expenditures	<u>3,404,322</u>	<u>227,791</u>	<u>428,674</u>	<u>3,179,166</u>
Excess (deficiency) of revenues over (under) expenditures	<u>485,389</u>	<u>69,276</u>	<u>488,626</u>	<u>(606,902)</u>
Other financing sources (uses):				
Transfers in	-	-	-	532,697
Transfers out	(885)	-	(532,697)	-
Total other financing sources (uses)	<u>(885)</u>	<u>-</u>	<u>(532,697)</u>	<u>532,697</u>
Change in fund balances	484,504	69,276	(44,071)	(74,205)
Fund balances beginning of year	1,853,006	(62,624)	518,116	2,686,429
Fund balances end of year	<u>\$ 2,337,510</u>	<u>6,652</u>	<u>474,045</u>	<u>2,612,224</u>

See notes to financial statements.

Local Option Sales Tax	Nonmajor	Total
-	120,475	3,277,371
323,187	-	323,187
-	-	42,957
-	18,667	3,813,119
-	-	9,308
-	1,459	460,157
12,776	1,010	120,187
-	9,457	117,087
335,963	151,068	8,163,373
-	6,476	1,280,674
-	-	1,091,508
-	-	360,302
37,199	27,592	349,682
-	-	2,964,008
-	2,589	220,096
-	-	821,703
-	-	10,678
329,323	128,163	457,486
53,047	-	268,205
419,569	164,820	7,824,342
(83,606)	(13,752)	339,031
-	885	533,582
-	-	(533,582)
-	885	-
(83,606)	(12,867)	339,031
2,867,866	306,702	8,169,495
2,784,260	293,835	8,508,526

Wayne County

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

Year ended June 30, 2014

Change in fund balances - Total governmental funds (page 25) \$ 339,031

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Depreciation expense exceeded capital outlay expenditures in the current year, as follows:

Expenditures for capital assets	\$ 353,044	
Depreciation expense	(621,425)	(268,381)

In the Statement of Activities, the gain on disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources. 4,501

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

Property tax	(1,559)	
Other	(41,788)	(43,347)

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. 270,000

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	(15,754)	
Other postemployment benefits	(42,950)	
Interest on long-term debt	737	(57,967)

Change in net position of governmental activities (page 19) \$ 243,837

See notes to financial statements.

Wayne County
Statement of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2014

Assets

Cash, cash equivalents and pooled investments:

County Treasurer	\$ 734,728
Other County officials	13,770

Receivables:

Property tax:	
Delinquent	36,100
Succeeding year	5,320,000
Accounts	26,789

Total assets	6,131,387
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Liabilities

Accounts payable	15,734
Salaries and benefits payable	13,116
Due to other governments	6,082,461
Trusts payable	9,025
Compensated absences	11,051

Total liabilities	6,131,387
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Net position	\$ -
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See notes to financial statements.

Wayne County

Notes to Financial Statements

June 30, 2014

(1) Summary of Significant Accounting Policies

Wayne 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, 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, Wayne 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 Wayne 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.

Wayne County Sheriff's Canine has been incorporated under Chapter 504A of the Code of Iowa to receive donations to aid the Wayne County Sheriff's Office. These donations are to be used to fund the training and care of a canine for law enforcement use. The financial activity of the component unit is included as a Special Revenue Fund of the County.

Wayne County Sheriff's Reserve has been incorporated under Chapter 504A of the Code of Iowa to receive donations for the benefit of the Wayne County Sheriff's Office. These donations are to be used to fund the reserve officers who assist the County Sheriff, as requested. The financial activity of this component unit is included as a Special Revenue Fund of the County.

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: Wayne County Assessor’s Conference Board, Wayne County Emergency Management Commission and the Wayne 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: Wayne, Ringgold and Decatur County Solid Waste Commission, Ten Fifteen Regional Transit Agency Board, South Iowa Area Crime Commission, Wayne County Development Corporation Board, Chariton Valley Rural Economic Development Incorporated Board, Southeast Iowa Case Management Board, Wayne County Empowerment Board and Southeast Iowa Response Group.

B. Basis of Presentation

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

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation 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. Enabling legislation did not result in any restricted net position.

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

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

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

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

The Local Option Sales Tax Fund is used to account for local option sales tax revenues used in the funding of the general obligation bonds issued for the acquisition and construction of the jail.

Additionally, the County reports the following funds:

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the County's policy is to pay the expenditure from restricted fund balances 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, Deferred Inflows of Resources 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, 2012 assessed property valuations; is for the tax accrual period July 1, 2013 through June 30, 2014 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2013.

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.

Advances To and From Other Funds – Non-current portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account for governmental funds which indicates they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

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

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

Capital Assets – Capital assets, which include property, equipment and vehicles, intangibles and infrastructure assets acquired after July 1, 2003 (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the County), are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Infrastructure	\$ 60,000
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)
Infrastructure	30 - 60
Buildings and improvements	20 - 50
Intangibles	5 - 20
Equipment	2 - 20
Vehicles	2 - 10

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.

Compensated Absences – County employees accumulate a limited amount of earned but unused compensatory time, sick leave and vacation 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, 2014. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

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

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

Deferred Inflows of Resources – Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements 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 inflows of resources consists of property tax receivable and other receivables not collected within sixty days after year end.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivables that will not be recognized until the year for which it is levied.

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.

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

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

Unassigned – All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2014, disbursements exceeded the amounts budgeted in the county environment and education, debt service and capital projects functions. In addition, disbursements in certain departments exceeded the amounts appropriated.

(2) Cash, Cash Equivalents and Pooled Investments

The County's deposits in banks at June 30, 2014 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 investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$2,434,616 pursuant to Rule 2a-7 under the Investment Company Act of 1940. The investment in the Iowa Public Agency Investment Trust is unrated for credit risk purposes. Also, at June 30, 2014, an escrow agent held U.S. Treasury notes for the County with a carrying amount and fair value of \$2,605,342 which mature December 1, 2014 through June 1, 2016.

(3) Advances To and From Other Funds

The detail of advances to/from other funds at June 30, 2014 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Special Revenue: Rural Services	General	<u>\$ 310,000</u>

In a prior year, the County approved a loan from the Special Revenue, Rural Services Fund to supplement General Fund operations. The County has approved a schedule to repay the borrowing from the Special Revenue, Rural Services Fund at a minimum of \$15,000 each year. During the year ended June 30, 2014, the County repaid \$40,000.

(4) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2014 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Special Revenue: Secondary Roads	Special Revenue: Rural Services	\$ 532,697
Debt Service	General	885
Total		<u>\$ 533,582</u>

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

(5) Capital Assets

Capital assets activity for the year ended June 30, 2014 was as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>End</u>
	<u>of Year</u>			<u>of Year</u>
Governmental activities:				
Capital assets not being depreciated:				
Infrastructure, road network	\$ 254,209	-	-	254,209
Construction in progress	58,777	53,047	(111,824)	-
Total capital assets not being depreciated	<u>312,986</u>	<u>53,047</u>	<u>(111,824)</u>	<u>254,209</u>
Capital assets being depreciated:				
Buildings	4,781,761	111,824	-	4,893,585
Improvements other than buildings	113,439	-	-	113,439
Equipment and vehicles	4,443,834	107,731	(27,300)	4,524,265
Infrastructure, road network	6,145,798	196,767	-	6,342,565
Total capital assets being depreciated	<u>15,484,832</u>	<u>416,322</u>	<u>(27,300)</u>	<u>15,873,854</u>
Less accumulated depreciation for:				
Buildings	971,958	92,002	-	1,063,960
Improvements other than buildings	22,185	3,781	-	25,966
Equipment and vehicles	3,300,580	187,175	(27,300)	3,460,455
Infrastructure, road network	1,598,437	338,467	-	1,936,904
Total accumulated depreciation	<u>5,893,160</u>	<u>621,425</u>	<u>(27,300)</u>	<u>6,487,285</u>
Total capital assets being depreciated, net	<u>9,591,672</u>	<u>(205,103)</u>	<u>-</u>	<u>9,386,569</u>
Governmental activities capital assets, net	<u>\$ 9,904,658</u>	<u>(152,056)</u>	<u>(111,824)</u>	<u>9,640,778</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 117,580
Physical health and social services	1,150
Mental health	6,535
County environment and education	20,681
Roads and transportation	468,783
Governmental services to residents	2,420
Administration	4,276
	<u>4,276</u>
Total depreciation expense - governmental activities	<u>\$ 621,425</u>

(6) Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2014 is as follows:

Fund	Description	Amount
General	Services	<u>\$ 17,215</u>
Special Revenue:		
Mental Health	Services	13,309
Secondary Roads	Services	2,564
		<u>15,873</u>
Total for governmental funds		<u>\$ 33,088</u>
Agency:		
County Offices	Collections	\$ 4,745
Agricultural Extension Education		77,020
County Assessor		300,129
Schools		3,088,016
Community Colleges		238,354
Corporations and Special Assessments		851,795
Townships		147,267
Auto License and Use Tax		165,129
County Hospital		931,279
Other		278,727
Total for agency funds		<u>\$ 6,082,461</u>

(7) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2014 is as follows:

	General Obligation Bonds/Notes	Compen- sated Absences	Net OPEB Liability	Total
Balance beginning of year	\$ 5,985,000	205,057	156,415	6,346,472
Increases	-	135,227	52,047	187,274
Decreases	270,000	119,473	9,097	398,570
Balance end of year	<u>\$ 5,715,000</u>	<u>220,811</u>	<u>199,365</u>	<u>6,135,176</u>
Due within one year	<u>\$ 280,000</u>	<u>101,769</u>	<u>-</u>	<u>381,769</u>

Bonds/Notes Payable

A summary of the County's June 30, 2014 general obligation bond/note indebtedness is as follows:

Year Ending June 30,	Local Option Sales and Services Tax Bonds			
	County Jail, 911 Center and Jail Related Costs			
	Issued June 15, 2008			
	Interest Rates	Principal	Interest	Total
2015	3.65%	\$ 155,000	118,330	273,330
2016	3.80	160,000	112,672	272,672
2017	3.90	165,000	106,593	271,593
2018	4.00	175,000	100,158	275,158
2019	4.05	180,000	93,158	273,158
2020-2024	4.10-4.30	1,020,000	347,650	1,367,650
2025-2028	4.35-4.40	980,000	109,645	1,089,645
Total		\$ 2,835,000	988,206	3,823,206

Year Ending June 30,	General Obligation Notes			
	Remodeling Public Buildings/Miscellaneous Purposes			
	Issued June 24, 2010			
	Interest Rates	Principal	Interest	Total
2015	3.75%	\$ 125,000	4,063	129,063
2016		-	-	-
2017		-	-	-
2018		-	-	-
2019		-	-	-
2020-2024		-	-	-
2025-2028		-	-	-
Total		\$ 125,000	4,063	129,063

Year Ending June 30,	Local Option Sales and Services Tax Refunding Bonds						
	Issued June 15, 2012					Total	
	Interest Rates	Principal	Interest	Total	Principal	Interest	Total
2015		\$ -	55,242	55,242	280,000	177,635	457,635
2016		-	55,242	55,242	160,000	167,914	327,914
2017	1.20%	205,000	55,243	260,243	370,000	161,836	531,836
2018	1.30	215,000	52,783	267,783	390,000	152,941	542,941
2019	1.55	215,000	49,988	264,988	395,000	143,146	538,146
2020-2024	1.70-2.10	1,130,000	192,945	1,322,945	2,150,000	540,595	2,690,595
2025-2028	2.25-2.75	990,000	65,085	1,055,085	1,970,000	174,730	2,144,730
Total		\$ 2,755,000	526,528	3,281,528	5,715,000	1,518,797	7,233,797

On June 15, 2012, the County issued \$2,755,000 of general obligation refunding bonds for a crossover advance refunding of \$2,520,000 of general obligation local option sales and services tax bonds dated June 15, 2008. The bonds bear interest at 1.20% to 2.75% per annum and mature June 1, 2028. The crossover refunding date is June 1, 2016.

For the crossover advance refunding, the County entered into an escrow agreement whereby the proceeds from the general obligation refunding bonds were converted into U.S. government securities. These securities, along with additional cash, were placed with an escrow agent to pay the principal and interest on the refunding general obligation bonds (new debt) until the crossover refunding date. On the crossover refunding date of June 1, 2016, the refunded general obligation bonds (old debt) will be paid using the amounts held by the escrow agent. From that point forward, the local option sales tax revenue will be used to pay the refunding general obligation bonds (new debt). The transactions and balances of the escrow account are recorded by the County since the refunded debt is not considered extinguished.

During the year ended June 30, 2014, the County retired \$270,000 of general obligation bonds.

(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 5.95% of their annual covered salary and the County is required to contribute 8.93% 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, 2014, 2013 and 2012 were \$256,048, \$232,331 and \$206,701, 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 76 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 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, 2014, the amount actually contributed to the plan and changes in the County's net OPEB obligation:

Annual required contribution	\$ 51,767
Interest on net OPEB obligation	6,257
Adjustment to annual required contribution	<u>(5,977)</u>
Annual OPEB cost	52,047
Contributions made	<u>(9,097)</u>
Increase in net OPEB obligation	42,950
Net OPEB obligation beginning of year	<u>156,415</u>
Net OPEB obligation end of year	<u><u>\$ 199,365</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, 2014.

For the year ended June 30, 2014, the County contributed \$9,097 to the medical plan.

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
2012	\$ 51,785	23.2%	\$ 113,765
2013	51,970	17.5	156,415
2014	52,047	17.5	199,365

Funded Status and Funding Progress – As of July 1, 2011, the most recent actuarial valuation date for the period July 1, 2013 through June 30, 2014, the actuarial accrued liability was \$397,291, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$397,291. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$2,873,000 and the ratio of the UAAL to covered payroll was 13.8%. As of June 30, 2014, 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, 2011 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 9%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 0.5% each year until reaching the 5% ultimate trend rate.

Mortality rates are from the RP2000 Combined Mortality Table projected to 2010 using Scale AA. Projected claim costs of the medical plan are \$1,058 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 700 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 casualty operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses estimated for the fiscal year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of basis 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 property operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses, reinsurance premiums, losses and loss expenses for property risks estimated for the fiscal year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The County's property and casualty contributions to the 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, 2014 were \$114,425.

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 through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$150,000 each occurrence, each location. Property risks exceeding \$150,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate.

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

The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2014, no liability has been recorded in the County's financial statements. As of June 30, 2014, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$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) Prospective Accounting Change

The Governmental Accounting Standards Board has issued Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27. This statement will be implemented for the fiscal year ending June 30, 2015. The revised requirement establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, the Statement of Net Position is expected to include a significant liability for the County's proportionate share of the employee pension plan.

Wayne County

Required Supplementary Information

Wayne 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, 2014

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	\$ 3,601,766	-	3,601,766
Interest and penalty on property tax	42,957	-	42,957
Intergovernmental	3,783,520	-	3,783,520
Licenses and permits	9,308	-	9,308
Charges for service	458,857	-	458,857
Use of money and property	120,161	-	120,161
Miscellaneous	98,484	9,457	89,027
Total receipts	8,115,053	9,457	8,105,596
Disbursements:			
Public safety and legal services	1,275,324	6,476	1,268,848
Physical health and social services	1,082,618	-	1,082,618
Mental health	434,078	-	434,078
County environment and education	401,495	-	401,495
Roads and transportation	2,977,920	-	2,977,920
Governmental services to residents	217,463	-	217,463
Administration	816,801	-	816,801
Non-program	10,678	-	10,678
Debt service	457,485	-	457,485
Capital projects	137,991	-	137,991
Total disbursements	7,811,853	6,476	7,805,377
Excess (deficiency) of receipts over (under) disbursements	303,200	2,981	300,219
Other financing sources, net	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	303,200	2,981	300,219
Balance beginning of year	7,856,612	11,984	7,844,628
Balance end of year	\$ 8,159,812	14,965	8,144,847

See accompanying independent auditor's report.

Budgeted Amounts		Final to Net Variance
Original	Final	
3,674,173	3,674,173	(72,407)
-	-	42,957
3,138,880	3,198,380	585,140
5,208	5,208	4,100
415,945	396,595	62,262
32,692	32,692	87,469
84,890	106,890	(17,863)
<u>7,351,788</u>	<u>7,413,938</u>	<u>691,658</u>
1,376,395	1,412,395	143,547
1,021,523	1,144,188	61,570
480,706	480,706	46,628
231,587	341,957	(59,538)
3,496,556	3,496,556	518,636
238,982	238,982	21,519
879,631	945,631	128,830
33,200	33,200	22,522
401,330	438,530	(18,955)
130,000	130,000	(7,991)
<u>8,289,910</u>	<u>8,662,145</u>	<u>856,768</u>
(938,122)	(1,248,207)	1,548,426
-	-	-
(938,122)	(1,248,207)	1,548,426
<u>3,966,465</u>	<u>3,966,465</u>	<u>3,878,163</u>
<u>3,028,343</u>	<u>2,718,258</u>	<u>5,426,589</u>

Wayne County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation
Required Supplementary Information

Year ended June 30, 2014

	Governmental Funds		
	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis
Revenues	\$ 8,115,053	48,320	8,163,373
Expenditures	7,811,853	12,489	7,824,342
Net	303,200	35,831	339,031
Other financing sources, net	-	-	-
Beginning fund balances	7,856,612	312,883	8,169,495
Ending fund balances	\$ 8,159,812	348,714	8,508,526

See accompanying independent auditor's report.

Wayne County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2014

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

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except the 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, the Special Revenue Funds and the Debt Service Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, one budget amendment increased budgeted disbursements by \$372,235. The budget amendment is reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County 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, 2014, disbursements exceeded the amounts budgeted in the county environment and education, debt service and capital project functions. In addition, disbursements in certain departments exceeded the amounts appropriated.

Wayne 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	-	\$ 306	306	0.0%	\$ 2,389	12.8%
2011	Jul 1, 2009	-	306	306	0.0	2,432	12.6
2012	Jul 1, 2011	-	397	397	0.0	2,396	16.6
2013	Jul 1, 2011	-	397	397	0.0	2,558	15.5
2014	Jul 1, 2011	-	397	397	0.0	2,873	13.8

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

Wayne County
 Combining Balance Sheet
 Nonmajor Governmental Funds

June 30, 2014

	County Recorder's Records Management	County Recorder's Electronic Transaction Fee	Special Resource Enhancement and Protection
Assets			
Cash, cash equivalents and pooled investments:			
County Treasurer	\$ 595	4	30,465
Component units	-	-	-
Receivables:			
Property tax:			
Delinquent	-	-	-
Succeeding year	-	-	-
Total assets	\$ 595	4	30,465
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ -	-	-
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	-	-
Other	-	-	-
Total deferred inflows of resources	-	-	-
Fund balances:			
Restricted for:			
Conservation purposes	-	-	30,465
Debt service	-	-	-
Other purposes	595	4	-
Total fund balances	595	4	30,465
Total liabilities, deferred inflows of resources and fund balances	\$ 595	4	30,465

See accompanying independent auditor's report.

Revenue					
Duncan Bequest	Wayne County Sheriff's Canine	Wayne County Sheriff's Reserve	Wayne County Sheriff's Foreiture	Debt Service	Total
245,996	-	-	1,984	-	279,044
-	4,651	10,314	-	-	14,965
-	-	-	-	601	601
-	-	-	-	122,000	122,000
245,996	4,651	10,314	1,984	122,601	416,610
175	-	-	-	-	175
-	-	-	-	122,000	122,000
-	-	-	-	600	600
-	-	-	-	122,600	122,775
175	-	-	-	122,600	122,775
245,821	-	-	-	-	276,286
-	-	-	-	1	1
-	4,651	10,314	1,984	-	17,548
245,821	4,651	10,314	1,984	1	293,835
245,996	4,651	10,314	1,984	122,601	416,610

Wayne County

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

Year ended June 30, 2014

	County Recorder's Records Management	County Recorder's Electronic Transaction Fee	Special Resource Enhancement and Protection
Revenues:			
Property and other county tax	\$ -	-	-
Intergovernmental	-	-	11,878
Charges for service	1,459	-	-
Use of money and property	-	-	3
Miscellaneous	-	-	-
Total revenues	<u>1,459</u>	<u>-</u>	<u>11,881</u>
Expenditures:			
Operating:			
Public safety and legal services	-	-	-
County environment and education	-	-	8,040
Governmental services to residents	2,589	-	-
Debt service	-	-	-
Total expenditures	<u>2,589</u>	<u>-</u>	<u>8,040</u>
Excess (deficiency) of revenues over (under) expenditures	(1,130)	-	3,841
Other financing sources:			
Operating transfers in	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(1,130)	-	3,841
Fund balances beginning of year	1,725	4	26,624
Fund balances end of year	<u>\$ 595</u>	<u>4</u>	<u>30,465</u>

See accompanying independent auditor's report.

Revenue					
Duncan Bequest	Wayne County Sheriff's Canine	Wayne County Sheriff's Reserve	Wayne County Sheriff's Forfeiture	Debt Service	Total
-	-	-	-	120,475	120,475
-	-	-	-	6,789	18,667
-	-	-	-	-	1,459
1,001	-	-	-	6	1,010
-	782	8,675	-	-	9,457
1,001	782	8,675	-	127,270	151,068
-	684	5,792	-	-	6,476
19,552	-	-	-	-	27,592
-	-	-	-	-	2,589
-	-	-	-	128,163	128,163
19,552	684	5,792	-	128,163	164,820
(18,551)	98	2,883	-	(893)	(13,752)
-	-	-	-	885	885
(18,551)	98	2,883	-	(8)	(12,867)
264,372	4,553	7,431	1,984	9	306,702
245,821	4,651	10,314	1,984	1	293,835

Wayne County
 Combining Schedule of Fiduciary Assets and Liabilities
 Agency Funds

June 30, 2014

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ -	1,638	143,954	74,770
Other County officials	13,770	-	-	-
Receivables:				
Property tax:				
Delinquent	-	382	835	17,246
Succeeding year	-	75,000	169,000	2,996,000
Accounts	-	-	-	-
Total assets	\$ 13,770	77,020	313,789	3,088,016
Liabilities				
Accounts payable	\$ -	-	-	-
Salaries and benefits payable	-	-	2,609	-
Due to other governments	4,745	77,020	300,129	3,088,016
Trusts payable	9,025	-	-	-
Compensated absences	-	-	11,051	-
Total liabilities	\$ 13,770	77,020	313,789	3,088,016

See accompanying independent auditor's report.

Community Colleges	Corporations and Special Assessments	Townships	Auto License and Use Tax	County Hospital	Other	Total
4,340	46,033	2,007	165,129	19,682	277,175	734,728
-	-	-	-	-	-	13,770
1,014	11,762	260	-	4,597	4	36,100
233,000	794,000	145,000	-	907,000	1,000	5,320,000
-	-	-	-	-	26,789	26,789
238,354	851,795	147,267	165,129	931,279	304,968	6,131,387
-	-	-	-	-	15,734	15,734
-	-	-	-	-	10,507	13,116
238,354	851,795	147,267	165,129	931,279	278,727	6,082,461
-	-	-	-	-	-	9,025
-	-	-	-	-	-	11,051
238,354	851,795	147,267	165,129	931,279	304,968	6,131,387

Wayne County

Combining Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds

Year ended June 30, 2014

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets and Liabilities				
Balances beginning of year	\$ 19,251	79,042	295,697	3,593,334
Additions:				
Property and other county tax	-	74,643	168,633	2,997,958
E911 surcharge	-	-	-	-
State tax credits	-	4,319	9,430	193,551
Drivers license fees	-	-	-	-
Office fees and collections	429,093	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	151,362	-	-	-
Miscellaneous	-	93	2,216	385
Total additions	580,455	79,055	180,279	3,191,894
Deductions:				
Agency remittances:				
To other funds	306,300	-	-	-
To other governments	126,416	81,077	162,187	3,697,212
Trusts paid out	153,220	-	-	-
Total deductions	585,936	81,077	162,187	3,697,212
Balances end of year	\$ 13,770	77,020	313,789	3,088,016

See accompanying independent auditor's report.

Community Colleges	Corporations and Special Assessments	Townships	Auto License and Use Tax	County Hospital	Other	Total
208,304	838,303	151,308	136,239	948,917	269,542	6,539,937
233,360	801,438	144,036	-	906,549	845	5,327,462
-	-	-	-	-	104,073	104,073
11,445	70,019	7,175	-	51,900	48	347,887
-	-	-	-	-	42,029	42,029
-	-	-	-	-	1,500	430,593
-	-	-	1,765,737	-	-	1,765,737
-	15,077	-	-	-	-	15,077
-	-	-	-	-	210,198	361,560
25	443	-	-	114	285,045	288,321
244,830	886,977	151,211	1,765,737	958,563	643,738	8,682,739
-	-	-	68,517	-	-	374,817
214,780	873,485	155,252	1,668,330	976,201	396,121	8,351,061
-	-	-	-	-	212,191	365,411
214,780	873,485	155,252	1,736,847	976,201	608,312	9,091,289
238,354	851,795	147,267	165,129	931,279	304,968	6,131,387

Wayne County

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

For the Last Ten Years

	2014	2013	2012	2011
Revenues:				
Property and other county tax	\$ 3,277,371	\$ 3,085,689	3,142,670	3,003,146
Local option sales tax	323,187	353,423	326,157	374,505
Interest and penalty on property tax	42,957	46,640	41,645	42,202
Intergovernmental	3,813,119	3,501,694	3,974,740	3,704,021
Licenses and permits	9,308	8,550	11,657	13,053
Charges for service	460,157	446,121	450,496	360,917
Use of money and property	120,187	59,545	28,585	25,483
Miscellaneous	117,087	259,436	192,717	58,192
Total	\$ 8,163,373	\$ 7,761,098	8,168,667	7,581,519
Expenditures:				
Operating:				
Public safety and legal services	\$ 1,280,674	\$ 1,190,882	1,062,720	1,021,037
Physical health and social services	1,091,508	1,068,193	893,116	839,343
Mental health	360,302	380,655	844,930	687,820
County environment and education	349,682	216,410	237,934	245,213
Roads and transportation	2,964,008	3,006,788	2,793,124	2,781,392
Governmental services to residents	220,096	223,076	196,679	200,742
Administration	821,703	718,625	551,179	661,985
Non-program	10,678	12,581	23,092	31,092
Debt service	457,486	455,320	420,931	285,108
Capital projects	268,205	58,777	110,221	20,741
Total	\$ 7,824,342	\$ 7,331,307	7,133,926	6,774,473

See accompanying independent auditor's report.

Modified Accrual Basis					
2010	2009	2008	2007	2006	2005
2,218,985	2,080,278	2,058,897	1,993,573	1,927,731	1,921,146
340,386	285,414	94,285	-	-	-
32,241	31,146	32,998	35,881	33,737	39,013
3,246,841	3,611,502	3,662,984	3,270,942	3,198,154	2,932,444
7,768	5,560	4,759	3,251	2,585	4,455
274,480	258,327	264,126	261,776	265,761	258,540
36,681	97,522	139,552	142,835	138,985	96,795
160,160	213,100	130,519	75,924	137,495	101,989
6,317,542	6,582,849	6,388,120	5,784,182	5,704,448	5,354,382
1,027,425	886,029	1,013,637	735,437	666,122	664,155
843,386	831,455	777,343	694,106	679,267	540,199
652,568	750,522	699,214	753,824	768,428	803,813
315,010	410,099	455,226	350,741	258,890	283,393
2,621,430	2,367,802	2,473,899	2,296,227	2,476,437	2,134,371
193,772	201,919	173,731	165,946	270,426	171,198
660,486	688,040	711,559	659,251	612,510	665,167
25,813	26,891	16,142	27,352	30,993	34,875
275,815	286,832	17,713	15,000	-	-
470,526	3,116,794	-	2,033	77,730	102,234
7,086,231	9,566,383	6,338,464	5,699,917	5,840,803	5,399,405

Wayne County



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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 Wayne 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 Wayne County, Iowa, as of and for the year ended June 30, 2014, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 6, 2015.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wayne 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 the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2014 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.


Wayne County's Responses to the Findings


Wayne County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. Wayne 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 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 Wayne County during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.


MARY MOSIMAN, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

February 6, 2015

Wayne County

Schedule of Findings

Year ended June 30, 2014

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

- (A) Segregation of Duties – During our review of internal control, the existing procedures are evaluated in order to determine incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and, therefore, maximizes the accuracy of the County’s financial statements. Generally, one or more individuals in the offices identified may have control over the following areas for which no compensating controls exist:

	<u>Applicable Offices</u>
(1) Collection and deposit preparation functions were not performed by an individual who does not record and account for cash receipts.	Treasurer, Recorder, Sheriff and New Venture Group Home
(2) Incoming mail is not opened by an employee who is not authorized to make entries to the accounting records. A listing of cash and checks received is not prepared and forwarded to accounting personnel for processing.	Recorder
(3) The listing of cash and checks received by mail was not regularly prepared or compared to cash receipt records or bank deposits.	Sheriff, Ag Extension and New Venture Group Home
(4) Bank accounts are not reconciled by an individual who does not sign checks, handle or record cash. Monthly reviews of bank reconciliations by an independent person were not documented.	Treasurer, Recorder, Sheriff and New Venture Group Home
(5) The person who signs checks was not independent of the person preparing the checks, approving disbursements and recording cash receipts.	Recorder, Sheriff and New Venture Group Home
(6) Accounting procedures manuals should be developed to aid in training additional or replacement personnel, achieve uniformity in accounting and in the application of policies and procedures and save supervisory time by recording decisions so they will not have to be made each time the same, or a similar, situation arises.	Auditor and Recorder
(7) Journal entries should be reviewed and approved by an independent individual not responsible for making the entry.	Treasurer

Wayne County

Schedule of Findings

Year ended June 30, 2014

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the Officials should review the operating procedures of their offices to obtain the maximum internal control possible under the circumstances utilizing currently available staff, including elected officials.

Responses –

Treasurer – (1), (4), and (7) – Due to a very small office, it is hard to segregate duties. We try to have things double checked such as checks written by one and signed by another. We do as much as we possibly can.

Recorder – (1), (2), (4) and (5) – There are only two people who work in this office. We try to do the best as we can to segregate and review the work of others (6) - We will try to create a procedures manual.

Sheriff – (1) – Attempts have been made each year to improve on this issue. We feel we have made improvements. The Wayne County Sheriff's Office does not currently have a staffing level to accommodate this concern without difficulty. Three out of three employees that either sign checks or open the mail and record the checks work the same shift. We feel we have adequate checks and balances in place at this time and will take your recommendation under advisement. Efforts will be made to improve but employee job functions and responsibilities limit the ability to do this.

(3), (4) and (5) – Review will be made of procedure and the office will obtain the maximum internal control possible under the circumstances to compare the receipts with deposits. The office is currently reviewing bank reconciliations monthly at the time the monthly report to the Wayne County Board of Supervisors is completed and has done so in the past. The Sheriff and Chief Deputy initialed and dated the bank statement at the time of review to certify the review, it was our understanding this was acceptable.

Auditor – (6) With the limited staff in the various Departments, it is difficult to assign the duties recommended, but we will review and try to work out a plan with different Departments to aide in the area of concern.

New Venture Group Home – (1), (3), (4) and (5) – Another employee will review bank reconciliations and make receipts. If a related person comes in of another employee, the Administrator will take care of the transaction and vice versa. We now have someone sign and date bank reconciliations to show they have been reviewed. We will continue to make changes to better comply with segregation of duties.

Ag Extension – Last August the auditor suggested it would be good to have someone check the receipt book against the deposit spreadsheet and reports to make sure they match. The ISU's Family Finance Specialist now does that.

Wayne County

Schedule of Findings

Year ended June 30, 2014

Conclusions –

Treasurer – Response acknowledged. To strengthen controls, officials should review the operating procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff, including elected officials.

Recorder – Response accepted.

Sheriff – Response accepted.

Auditor – Response accepted.

New Venture Group Home – Response accepted.

Ag Extension – Response accepted.

- (B) County Sheriff – Certain expenditures paid from the County Sheriff's commissary account were not included in the County's budget or annual financial report.

Recommendation – Commissary profits in excess of those needed to purchase resale items for the Commissary should be remitted to the County Treasurer and included in the County's annual budget and financial statements. All expenditures for the County Sheriff's Office should be paid by claims approved by the Board of Supervisors and reflected in the County's accounting system, budget and annual financial statements.

Response – This recommendation is taken under advisement. Expenditures are made on items for the jail with proceeds from the commissary. Discussion with the Board of Supervisors was held to determine what will work best for our situation. The concern is being able to have funds available to purchase the resale Commissary items. The expenditures made from the Commissary have been for needed items for the jail only.

Conclusion – Response acknowledged. To strengthen internal control and accountability over public funds, the County Sheriff should remit Commissary profits to the County Treasurer and include expenditures made from the profits in the County budget. In addition, Chapter 331.552(2) requires the County Treasurer to disburse money owed or payable by the County on warrants or checks.

- (C) County Engineer – Certain Secondary Roads Department employees have vacation balances exceeding the allowable hours per the County's employee handbook and the Secondary Roads union agreement. Per the County's employee handbook, department heads may allow employees to carry over a maximum of one year's vacation accrual. Per the Secondary Roads union agreement, all vacation time accumulated on an employee's anniversary date must be used within one year following the anniversary date or it will be forfeited.

Recommendation – The County Engineer should ensure vacation balances do not exceed allowable limits in accordance with the County's policy and the union agreement.

Wayne County

Schedule of Findings

Year ended June 30, 2014

Response – It is the opinion of the County Engineer that the employee handbook as well as the union agreement read that a Secondary Road’s employee may carry over one year’s vacation while still earning the prescribed vacation of the current year, thereby allowing the employee to accumulate a maximum of two year’s vacation time. Therefore, no action will be taken and the Secondary Roads Department will continue to operate under the current policies and procedures. However, they will better monitor accrued vacation time.

Conclusion – Response acknowledged. The Secondary Roads union agreement does not state a maximum of two years vacation time is allowed beyond the employee’s anniversary date. The County should consult legal counsel to determine the allowable carryover of vacation hours in accordance with the union agreement.

- (D) Computer Systems – During our review of internal control, the existing control activities in the County’s computer systems were evaluated in order to determine activities, from a control standpoint, were designed to provide reasonable assurance regarding the achievement of objectives in the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations. The following weaknesses in the County’s computer systems were noted:

The County does not have written policies for:

- requiring password changes because software does not require the user to change log-ins/passwords periodically.
- requiring passwords remain confidential between department heads and staff.
- requiring passwords to be a minimum of six characters.

In addition, the County does not have a lockout function in place if an incorrect password is entered multiple times or an off-site backup of the Eden software system.

Recommendation – The County should develop written policies addressing the above items. In addition, a lockout function should be implemented to improve the County’s control over their computer system and the Eden software system should be backed up and maintained offsite.

Response – We will work on updating written policies for computer usage. We will also visit with our software provider and work on changing the way it currently is being done.

Conclusion – Response accepted.

- (E) Capital Assets – Test counts of capital assets are not conducted periodically by an independent person to determine the assets exist and all assets are included in the capital asset listing.

Recommendation – A person who does not have responsibility for capital assets should periodically test count capital assets to ensure the accuracy of the capital asset listing.

Wayne County

Schedule of Findings

Year ended June 30, 2014

Response – We review all claims submitted for the purchase of all capital assets and approve the payment for the items, but will start a program to review the items capitalized.

Conclusion – Response accepted.

- (F) Mental Health Program Coding – The County’s mental health expenditures related to the New Venture Group Home for county provided mental health services were not recorded to the proper program code in accordance with the Uniform Chart of Accounts for Iowa County Governments.

Recommendation – The County should record expenditures for county provided mental health services to the proper program code for appropriate accountability of mental health expenditures.

Response – We were not aware of the change or with the new guidelines for the process of setting up account codes for county provided services related to the New Venture Group Home. We left the same code as if it would still be included with all the mental health services so if need be, we could tie it back to the Mental Health Fund. We will adjust the coding for fiscal year 2016 for budget purposes.

Conclusion – Response accepted.

- (G) Overpayment of Officials’ Salaries – Three County officials were paid compensation in excess of the amount authorized. The County Assessor, Deputy Treasurer and Deputy Recorder were overpaid by \$573, \$75 and \$74, respectively.

Recommendation – The Board of Supervisors should consult legal counsel to determine the disposition of the matter.

Response – We will review the records and consult the County Attorney before we take any action.

Conclusion – Response accepted.

- (H) Compensatory Time (Comp Time) Policy – An approved Comp Time policy is not documented for the County Engineer’s office or for the County Conservation Director. Both offices track comp time balances, but the balances are not reported to the County Auditor.

Recommendation – If this practice continues, the County Conservation Board and the County Engineer’s Office should prepare a Comp Time policy for approval. The policy, at a minimum, should reference the rate of accrual, a maximum balance, the allowed carry over balance and how the comp time accrued should be utilized (redeemed). Also, comp time balances, if any, should be reported to the County Auditor and recorded in the County’s financial records.

Wayne County

Schedule of Findings

Year ended June 30, 2014

County Engineer Response – A compensatory time policy was started on July 1, 2014 and is also provided for in the Union Agreement. Compensatory time balances are being reported to the Wayne County Auditor as of August 2014.

Conservation Response – Our Board is in process of presenting a comp time policy at the December 8, 2014 Wayne County Conservation Board Meeting.

Conclusion – Responses accepted.

- (I) Conservation Director's Comp Time – The Conservation Director does not record comp time earned on a timesheet. Therefore, comp time recorded and earned is not being independently approved.

Recommendation – Comp time earned and used should be independently reviewed.

Response – The Conservation Director's comp time is being reported to the County Auditor's Office since August 2014. From the first day of employment, comp time has been reported to the Wayne County Conservation Board for its approval. The Director's timesheet is signed and approved each time by a Wayne County Conservation Board member before submitting.

Conclusion – Response acknowledged. The Director's timesheet should contain comp time activity for Board approval.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Wayne County

Schedule of Findings

Year ended June 30, 2014

Other Findings Related to Required Statutory Reporting:

- (1) Certified Budget – Disbursements during the year ended June 30, 2014 exceeded the amounts budgeted in the county environment and education, debt service and capital projects functions. Also, disbursements in several departments exceeded the amounts appropriated.

Recommendation – The budget should have been amended in accordance with Chapter 331.435 of the Code of Iowa before disbursements were allowed to exceed the budget.

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

Response – We will review this with the various Departments and the other Boards involved and try to keep a better control of this issue.

Conclusion – Response accepted.

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

Name, Title and Business Connection	Transaction Description	Amount
Kay Middlebrook, County Assessor, and Melinda Middlebrook, CPC administrator, wife and daughter-in-law, respectively, of the owner of Middlebrook Amoco	Fuel, services and repairs -	
	Board of Supervisors	\$ 48
	County Assessor	1,074
	Mental Health Department	52
	General Services	253
	New Venture Group Home	45
	Recorder	23
	Total	<u>\$ 1,495</u>

The transactions with Middlebrook Amoco do not appear to represent a conflict of interest in accordance with Chapter 331.342(d) of the Code of Iowa since the County Assessor's and the County CPC administrator's employment are not directly affected as a result of the contract and the duties of employment do not directly involve procurement or preparation of any part of the contracts.

Wayne County

Schedule of Findings

Year ended June 30, 2014

- (5) Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- (6) Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- (7) Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.
- (8) Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- (9) Emergency Management Budget – Disbursements during the year ended June 30, 2014 exceeded the amount budgeted.

Recommendation – The budget should have been amended by the Emergency Management Commission in accordance with Chapter 24.9 of the Code of Iowa before disbursements were allowed to exceed the budget.

Response - In this fiscal year, I brought in \$5,700 of grant monies which I thought would cover the amount of the budget excess and not be a problem, not being aware that since it was certified, I should have amended the budget. Since I am now aware of this, in the future I will have the budget amended if needed.

Conclusion – Response accepted.

- (10) 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, 2014 for the County Extension Office did not exceed the amount budgeted.

Wayne County

Staff

This audit was performed by:

Suzanne R. Dahlstrom, CPA, Manager
Timothy D. Houlette, CPA, Manager
Jessica L. Barloon, CPA, Staff Auditor
Trisha S. Kunze, Staff Auditor
Ramona E. Daly, Staff Auditor
Taylor I. Cook, Auditor Intern

A handwritten signature in cursive script that reads "Andrew E. Nielsen". The signature is written in black ink and is positioned above the printed name and title.

Andrew E. Nielsen, CPA
Deputy Auditor of State