



**OFFICE OF AUDITOR OF STATE
STATE OF IOWA**

Mary Mosiman, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

NEWS RELEASE

FOR RELEASE

March 24, 2016

Contact: Andy Nielsen
515/281-5834

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

The County had local tax revenue of \$50,584,463 for the year ended June 30, 2015, which included \$3,327,403 in tax credits from the state. The County forwarded \$36,966,430 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$13,618,033 of the local tax revenue to finance County operations, a 4.1% percent increase over the prior year. Other revenues included charges for service of \$1,667,182, operating grants, contributions and restricted interest of \$5,175,259, capital grants, contributions and restricted interest of \$5,704,171, tax increment financing of \$1,023,421, local option sales and services tax of \$1,323,595, unrestricted investment earnings of \$78,637 and other general revenues of \$542,502.

Expenses for County operations for the year ended June 30, 2015 totaled \$24,153,309, a 6.9% increase over the prior year. Expenses included \$7,665,800 for roads and transportation, \$5,620,628 for public safety and legal services and \$3,292,599 for mental health.

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/1510-0050-B00F.pdf>.

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JASPER COUNTY
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015

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Jasper County

Officials

(Before January 2015)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Joe Brock	Board of Supervisors	Jan 2015
Dennis Carpenter	Board of Supervisors	Jan 2015
Dennis Stevenson	Board of Supervisors	Jan 2017
Dennis Parrott	County Auditor	Jan 2017
Doug Bishop	County Treasurer	Jan 2015
Nancy Parrott	County Recorder	Jan 2015
John Halferty	County Sheriff	Jan 2017
Mike Jacobsen	County Attorney	Jan 2015
John Deegan	County Assessor	Jan 2016

(After January 2015)

Dennis Stevenson	Board of Supervisors	Jan 2017
Joe Brock	Board of Supervisors	Jan 2019
Dennis Carpenter	Board of Supervisors	Jan 2019
Dennis Parrott	County Auditor	Jan 2017
Doug Bishop	County Treasurer	Jan 2019
Denise Allan	County Recorder	Jan 2019
John Halferty	County Sheriff	Jan 2017
Mike Jacobsen	County Attorney	Jan 2019
John Deegan	County Assessor	Jan 2016

Jasper County



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Independent Auditor's Report

To the Officials of Jasper 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 Jasper County, Iowa, as of and for the year ended June 30, 2015, 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 Jasper County as of June 30, 2015, and the respective changes in its financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in Note 16, Jasper County adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County Contributions and the Schedule of Funding Progress for the Retiree Health Plan on pages 9 through 15 and 52 through 62 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 Jasper 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, 2014 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 6, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 22, 2016 on our consideration of Jasper 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 Jasper 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 22, 2016

Jasper County

MANAGEMENT'S DISCUSSION AND ANALYSIS

Jasper 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, 2015. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

- The County implemented Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27, during fiscal year 2015. The beginning net position for governmental activities was restated \$5,413,568 to retroactively report the net pension liability as of July 1, 2014 and deferred outflows of resources related to contributions made after June 30, 2013 but prior to July 1, 2014. Pension expense for fiscal year 2014 and the net pension liability, deferred outflows of resources and deferred inflows of resources at June 30, 2014 were not restated because the information needed to restate those amounts was not available.
- Revenues of the County's governmental activities increased 17.3%, or approximately \$4,299,000, from fiscal year 2014 to fiscal year 2015. Property tax increased approximately \$223,000, operating grants, contributions and restricted interest decreased approximately \$177,000 and capital grants, contributions and restricted interest increased approximately \$3,747,000.
- Program expenses of the County's governmental activities increased 6.9%, or approximately \$1,549,000, from fiscal year 2014 to fiscal year 2015. Expenses increased approximately \$2,254,000 in the mental health function and approximately \$174,000 in the public safety and legal services function. Expenses decreased approximately \$388,000 in the roads and transportation function and approximately \$412,000 in the administration function.
- The County's net position increased 12.7%, or approximately \$4,979,000, over the restated June 30, 2014 balance.

USING THIS ANNUAL REPORT

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

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

The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Jasper 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 Jasper 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 Jasper 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, the County's proportionate share of the net pension liability and related contributions, 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. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the County.

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

The County has two kinds of funds:

1) Governmental funds account for most of the County's basic services. These focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Mental Health, Rural Services and Secondary Roads, 3) the Debt Service Fund, 4) the Capital Projects Fund and 5) the Permanent 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 auto license and use tax, emergency management services and the County Assessor, to name a few.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Net Position of Governmental Activities (Expressed in Thousands)		
	June 30,	
	2015	2014 (Not Restated)
Current and other assets	\$ 27,223	29,696
Capital assets	49,595	45,448
Total assets	<u>76,818</u>	<u>75,144</u>
Deferred outflows of resources	1,071	-
Long-term liabilities	17,129	14,897
Other liabilities	1,110	1,253
Total liabilities	<u>18,239</u>	<u>16,150</u>
Deferred inflows of resources	15,586	14,496
Net position:		
Net investment in capital assets	44,080	39,283
Restricted	11,136	11,823
Unrestricted	(11,152)	(6,608)
Total net position	<u>\$ 44,064</u>	<u>44,498</u>

Prior to restatement, Jasper County's total net position decreased less than 1.0%, approximately \$44,498,000 compared to approximately \$44,064,000. The largest portion of the County's net position is invested in capital assets (e.g., land, 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.

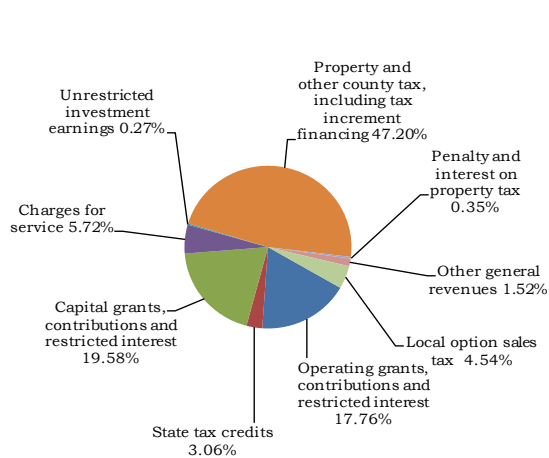
Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position category decreased approximately \$687,000, or 5.8%, from the prior year. The decrease is primarily due to a decrease in mental health and local option sales tax funds held at year end.

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 – decreased from approximately (\$6,608,000) at June 30, 2014 to approximately (\$11,152,000) at the end of this year, a decrease of 68.8%. The unrestricted net position deficit is due to reporting the net pension liability and the County issuing general obligation bonds and notes for capital assets not owned by the County.

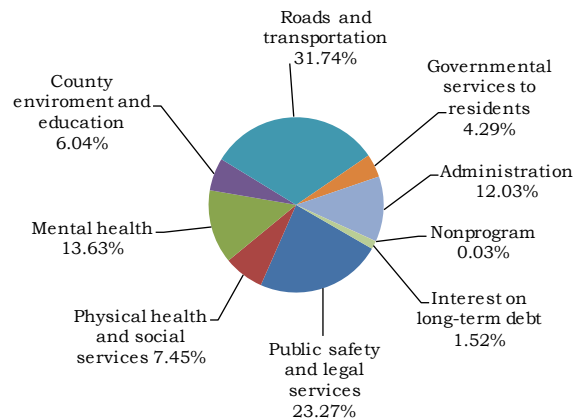
Changes in Net Position of Governmental Activities
(Expressed in Thousands)

	Year ended June 30,	
	2015 (Not Restated)	2014
Revenues:		
Program revenues:		
Charges for service	\$ 1,667	1,709
Operating grants, contributions and restricted interest	5,175	5,352
Capital grants, contributions and restricted interest	5,704	1,957
General revenues:		
Property and other county tax, including tax increment financing	13,750	13,527
Penalty and interest on property tax	101	44
State tax credits	891	605
Local option sales tax	1,323	1,292
Unrestricted investment earnings	79	63
Other general revenues	442	284
Total revenues	29,132	24,833
Program expenses:		
Public safety and legal services	5,621	5,447
Physical health and social services	1,800	1,853
Mental health	3,293	1,039
County environment and education	1,459	1,399
Roads and transportation	7,666	8,054
Governmental services to residents	1,036	978
Administration	2,905	3,317
Nonprogram	6	43
Interest on long-term debt	367	474
Total expenses	24,153	22,604
Change in net position	4,979	2,229
Net position beginning of year, as restated	39,085	42,269
Net position end of year	\$ 44,064	44,498

Revenues by Source



Expenses by Function



Revenues for governmental activities increased approximately \$4,299,000 from the prior year. Capital grants, contributions and restricted interest increased approximately \$3,747,000, or 191.5%, due to increased farm-to-market projects contributed to the County by the Iowa Department of Transportation (DOT) in the current fiscal year.

The County increased the countywide property tax rate for fiscal year 2015 by 3.75%. This increase, combined with decreases in taxable valuations, increased the County's property tax revenue approximately \$223,000 in fiscal year 2015. The general basic levy decreased 12.3%, from \$3.99 per \$1,000 of taxable valuation to \$3.50 per \$1,000 of taxable valuation. The County services (mental health) levy increased from \$.35 per \$1,000 of taxable valuation to \$1.24 per \$1,000 of taxable valuation.

The cost of all governmental activities this year was approximately \$24.2 million compared to approximately \$22.6 million last year. However, as shown in the Statement of Activities on page 19, the amount taxpayers ultimately financed for these activities was approximately \$11.6 million because some of the cost was paid by those directly benefited from the programs (approximately \$1,667,000) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately \$10,879,000). Overall, the County's governmental program revenues, including intergovernmental aid and fees for service, increased in fiscal year 2015 from approximately \$9,018,000 to approximately \$12,546,000, primarily due to increased farm-to-market road projects contributed to the County by the Iowa DOT.

INDIVIDUAL MAJOR FUND ANALYSIS

As Jasper County completed the year, its governmental funds reported a combined fund balance of approximately \$11.9 million, a decrease of approximately \$1,800,000 from last year's total of approximately \$13.7 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues decreased approximately \$759,000, or 6.7%, primarily due to a decrease in property tax. Expenditures increased approximately \$474,000, or 4%. The ending fund balance increased approximately \$281,000, or 7.1%, from the prior year to \$4,253,777.
- The County has continued to look for ways to effectively manage the cost of mental health services. Expenditures increased approximately \$2,238,000 over the prior year, primarily due to mental health regionalization. During the year, the County remitted \$2,479,702 to the Central Iowa Community Services Mental Health Region. Revenues increased approximately \$1,249,000 due to an increase in property tax. The Special Revenue, Mental Health Fund balance decreased approximately \$1,448,000 during the year to \$254,872.
- Special Revenue, Rural Services Fund revenues decreased approximately \$24,000, or less than 1.0%. Expenditures remained consistent when compared to the prior year. The ending fund balance increased approximately \$558,000 over the prior year to \$2,052,512.
- Special Revenue, Secondary Roads Fund revenues increased approximately \$1,038,000, or 21.4%, over the prior year and expenditures increased approximately \$1,654,000, or 26.5%, over the prior year. The increases are due to the completion of a bridge construction project and several FEMA projects during the year, both funded primarily with grant revenues. The fund balance at June 30, 2015 was \$3,757,254 compared to the prior year ending fund balance of \$3,774,141, a decrease of \$16,887.
- Debt Service Fund revenues decreased approximately \$151,000, or 18.1%, primarily due to a decrease in property tax. Expenditures decreased approximately \$1,813,000 due to the advance refunding of the County's 2005 general obligation bonds during the prior year. At year end, the fund balance was \$212,077 compared to the prior year ending fund balance of \$220,505, a decrease of \$8,428.

- Capital Projects Fund revenues decreased approximately \$35,000, or 34.9%, from the prior year due to completion of the Chichaqua bike trail project funded with a FEMA grant. Expenditures decreased approximately \$542,000, or 81.9%, from the prior year as a result of a roofing project, phone system installation and other upgrades at the County during the prior year. At June 30, 2015, the balance of the Capital Projects Fund decreased to a deficit position of \$18,157.

BUDGETARY HIGHLIGHTS

Over the course of the year, Jasper County amended its budget four times. The first amendment was made in January 2015 and resulted in an increase in budgeted disbursements in the public safety and legal services function for County Sheriff vehicles and personnel costs. The second amendment was made on March 17, 2015. This amendment was made to provide for additional disbursements in certain County departments, including the mental health department to allow for payments to the mental health region fiscal agent. The third amendment was made on May 26, 2015. This amendment resulted in an increase in budgeted receipts for intergovernmental, charges for service and miscellaneous sources, as well as an increase to budgeted disbursements for the Secondary Roads department. The final amendment was made on June 30, 2015. This amendment was made to provide additional disbursements in various County departments.

The County's receipts were \$369,293 less than budgeted, a variance of 1.53%. The most significant variance resulted from the County receiving less intergovernmental receipts than anticipated.

Total disbursements were \$3,398,683 less than the amended budget. Actual disbursements for the mental health, capital projects and roads and transportation functions were \$1,020,892, \$614,375 and \$540,899, respectively, less than budgeted. This was primarily due to costs being less than anticipated.

Even with the budget amendments, the County exceeded the amount budgeted in the debt service function for the year ended June 30, 2015.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2015, Jasper County had approximately \$49.6 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges and intangible assets. This is a net increase (including additions and deletions) of approximately \$4,147,000 over last year.

Capital Assets of Governmental Activities at Year End		
(Expressed in Thousands)		
	June 30,	
	2015	2014
Land	\$ 1,206	1,206
Construction in progress	80	1,878
Buildings and improvements	10,543	10,739
Equipment and vehicles	3,689	3,670
Intangibles	130	138
Infrastructure	33,947	27,817
Total	\$ 49,595	45,448

The County had depreciation/amortization expense of \$3,009,565 in fiscal year 2015 and total accumulated depreciation/amortization of \$32,878,001 at June 30, 2015. More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

Jasper County had general obligation bonds and capital loan notes outstanding at June 30, 2015 and June 30, 2014, as shown below.

	Outstanding Debt of Governmental Activities at Year-End	
	(Expressed in Thousands)	
	June 30,	
	2015	2014
General obligation bonds and capital loan notes	\$ 11,220	12,805

The County carries a general obligation bond rating of Aa2 assigned by national rating agencies to the County's debt. The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. Jasper County's outstanding general obligation debt of approximately \$11.2 million, including development agreements of \$13,044, is significantly below its constitutional debt limit of approximately \$136 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

Jasper County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2016 budget, tax rates and fees charged for various County activities. In an ongoing effort to maintain County services, the Jasper County Board of Supervisors is committed to limiting expenditure increases, using excess fund balances and reducing funding to non-mandated programs to provide essential services for the citizens of Jasper County.

The Jasper County Board of Supervisors has stated it is determined to use all of the one cent Local Option Sales and Services Tax (LOSST) funds for property tax relief. Therefore, in the fiscal year 2016 budget, all of the LOSST money estimated to be received in fiscal year 2016 (approximately \$900,000) was used to offset a property tax increase in fiscal year 2016.

Amounts available for appropriation (budgeted receipts) in the operating budget are approximately \$22,224,000, a 9% decrease from the final fiscal year 2015 budget. Budgeted disbursements decreased \$3,388,492 from the final fiscal year 2015 budget, primarily in the mental health function. The County has added no major new programs or initiatives to the fiscal year 2016 budget.

If these estimates are realized, the County's budgetary operating balance is expected to decrease 60.5% by the close of fiscal year 2016.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Jasper 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 Jasper County Auditor's Office, 101 1st St. N., Newton, Iowa 50208.

Jasper County

Basic Financial Statements

Exhibit A

Jasper County
Statement of Net Position
June 30, 2015

	<u>Governmental Activities</u>
Assets	
Cash and pooled investments	\$ 11,638,915
Receivables:	
Property tax:	
Delinquent	28,154
Succeeding year	12,483,000
Succeeding year tax increment financing	946,000
Interest and penalty on property tax	32,811
Accounts	18,877
Special assessments	4,748
Due from other governments	1,617,094
Inventories	385,023
Prepaid expense	68,836
Capital assets, net of accumulated depreciation/amortization	49,595,316
Total assets	<u>76,818,774</u>
Deferred Outflows of Resources	
Pension related deferred outflows	<u>1,071,179</u>
Liabilities	
Accounts payable	549,346
Accrued interest payable	29,028
Salaries and benefits payable	458,248
Due to other governments	73,785
Long-term liabilities:	
Portion due or payable within one year:	
General obligation capital loan notes	280,000
General obligation bonds	970,000
Compensated absences	559,487
Portion due or payable after one year:	
General obligation capital loan notes	955,000
General obligation bonds	9,015,000
Compensated absences	1,179,875
Net pension liability	3,838,619
Net OPEB liability	331,000
Total liabilities	<u>18,239,388</u>
Deferred Inflows of Resources	
Unavailable property tax revenue	12,483,000
Unavailable tax increment financing revenue	946,000
Pension related deferred inflows	2,157,111
Total deferred inflows of resources	<u>15,586,111</u>
Net Position	
Net investment in capital assets	44,080,316
Restricted for:	
Nonexpendable:	
Permanent Fund	12,000
Expendable:	
Supplemental levy purposes	3,338,935
Mental health purposes	204,305
Rural services purposes	2,024,618
Secondary roads purposes	3,753,053
Local option sales tax purposes	209,298
Conservation land acquisition	177,077
Debt service	876,216
Other purposes	540,499
Unrestricted	(11,151,863)
Total net position	<u>\$ 44,064,454</u>

See notes to financial statements.

Jasper County
Statement of Activities
Year ended June 30, 2015

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
Functions/Programs:					
Governmental activities:					
Public safety and legal services	\$ 5,620,628	387,719	29,788	-	(5,203,121)
Physical health and social services	1,799,796	380,963	360,298	-	(1,058,535)
Mental health	3,292,599	-	77,521	-	(3,215,078)
County environment and education	1,459,104	67,123	51,799	71,865	(1,268,317)
Roads and transportation	7,665,800	158,744	4,620,576	5,632,306	2,745,826
Governmental services to residents	1,036,618	606,816	60	-	(429,742)
Administration	2,904,990	65,817	17,823	-	(2,821,350)
Non-program	6,564	-	16,863	-	10,299
Interest on long-term debt	367,210	-	531	-	(366,679)
Total	\$ 24,153,309	1,667,182	5,175,259	5,704,171	(11,606,697)
General Revenues:					
Property and other county tax levied for:					
General purposes					12,092,227
Debt service					634,640
Tax increment financing					1,023,421
Penalty and interest on property tax					100,589
State tax credits					891,166
Local option sales and services tax					1,323,595
Unrestricted investment earnings					78,637
Miscellaneous					441,913
Total general revenues					16,586,188
Change in net position					4,979,491
Net position beginning of year, as restated					39,084,963
Net position end of year					\$ 44,064,454

See notes to financial statements.

Jasper County
Balance Sheet
Governmental Funds

June 30, 2015

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Assets				
Cash and pooled investments	\$ 4,591,847	245,502	2,073,534	3,339,930
Receivables:				
Property tax:				
Delinquent	17,673	3,691	4,726	-
Succeeding year	8,386,000	1,104,000	2,374,000	-
Succeeding year tax increment financing	-	-	-	-
Interest and penalty on property tax	32,811	-	-	-
Accounts	2,032	-	2,590	14,255
Special assessments	-	-	-	4,748
Due from other funds	59,304	-	-	-
Due from other governments	99,687	18,484	-	1,283,984
Inventories	-	-	-	385,023
Prepaid expenditures	68,836	-	-	-
Total assets	\$ 13,258,190	1,371,677	4,454,850	5,027,940
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 129,780	3,162	3,464	387,863
Salaries and benefits payable	331,288	4,700	4,809	117,451
Due to other funds	66,224	-	-	-
Due to other governments	13,149	1,252	15,339	44,045
Total liabilities	540,441	9,114	23,612	549,359
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	8,386,000	1,104,000	2,374,000	-
Succeeding year tax increment financing	-	-	-	-
Other	77,972	3,691	4,726	721,327
Total deferred inflows of resources	8,463,972	1,107,691	2,378,726	721,327
Fund balances:				
Nonspendable:				
Inventories	-	-	-	385,023
Prepaid expenditures	68,836	-	-	-
Permanent Fund	-	-	-	-
Restricted for:				
Supplemental levy purposes	3,412,482	-	-	-
Mental health purposes	-	254,872	-	-
Rural services purposes	-	-	2,052,512	-
Secondary roads purposes	-	-	-	3,372,231
Local option sales and services tax purposes	-	-	-	-
Conservation land acquisition	177,077	-	-	-
Debt service	-	-	-	-
Other purposes	67,571	-	-	-
Unassigned	527,811	-	-	-
Total fund balances	4,253,777	254,872	2,052,512	3,757,254
Total liabilities, deferred inflows of resources and fund balances	\$ 13,258,190	1,371,677	4,454,850	5,027,940

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
212,077	-	1,176,025	11,638,915
1,327	-	737	28,154
619,000	-	-	12,483,000
-	-	946,000	946,000
-	-	-	32,811
-	-	-	18,877
-	-	-	4,748
-	66,224	-	125,528
-	5,641	209,298	1,617,094
-	-	-	385,023
-	-	-	68,836
832,404	71,865	2,332,060	27,348,986
-	25,077	-	549,346
-	-	-	458,248
-	59,304	-	125,528
-	-	-	73,785
-	84,381	-	1,206,907
619,000	-	-	12,483,000
-	-	946,000	946,000
1,327	5,641	737	815,421
620,327	5,641	946,737	14,244,421
-	-	-	385,023
-	-	-	68,836
-	-	12,000	12,000
-	-	-	3,412,482
-	-	-	254,872
-	-	-	2,052,512
-	-	-	3,372,231
-	-	209,298	209,298
-	-	-	177,077
212,077	-	691,103	903,180
-	-	472,922	540,493
-	(18,157)	-	509,654
212,077	(18,157)	1,385,323	11,897,658
832,404	71,865	2,332,060	27,348,986

Jasper County

Jasper County

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

June 30, 2015

Total governmental fund balances (page 21)		\$ 11,897,658
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 \$82,473,317 and the accumulated depreciation/amortization is \$32,878,001.		49,595,316
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.		815,421
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	\$ 1,071,179	
Deferred inflows of resources	<u>(2,157,111)</u>	(1,085,932)
Long-term liabilities, including general obligation capital loan notes payable, general obligation bonds payable, compensated absences payable, other postemployment benefits payable, net pension liability and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds.		<u>(17,158,009)</u>
Net position of governmental activities (page 18)		<u><u>\$ 44,064,454</u></u>

See notes to financial statements.

Jasper County

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

Year ended June 30, 2015

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Revenues:				
Property and other county tax	\$ 7,839,248	1,636,870	2,614,634	-
Tax increment financing	-	-	-	-
Local option sales and services tax	-	-	-	-
Interest and penalty on property tax	91,437	-	-	-
Intergovernmental	1,226,510	193,645	155,940	5,496,528
Licenses and permits	24,037	-	53,534	25,035
Charges for service	942,675	-	250	10,563
Use of money and property	223,888	-	-	-
Miscellaneous	239,401	-	-	354,641
Total revenues	10,587,196	1,830,515	2,824,358	5,886,767
Expenditures:				
Operating:				
Public safety and legal services	5,645,502	-	-	-
Physical health and social services	1,828,490	-	-	-
Mental health	-	3,278,357	-	-
County environment and education	900,899	-	455,329	-
Roads and transportation	-	-	-	6,412,667
Governmental services to residents	1,049,428	-	-	-
Administration	2,850,287	-	-	-
Non-program	6,564	-	-	-
Debt service	-	-	-	-
Capital projects	16,895	-	-	1,471,814
Total expenditures	12,298,065	3,278,357	455,329	7,884,481
Excess (deficiency) of revenues over (under) expenditures	(1,710,869)	(1,447,842)	2,369,029	(1,997,714)
Other financing sources (uses):				
Transfers in	2,276,403	-	383,262	2,409,087
Transfers out	(284,409)	-	(2,194,597)	(428,260)
Total other financing sources (uses)	1,991,994	-	(1,811,335)	1,980,827
Change in fund balances	281,125	(1,447,842)	557,694	(16,887)
Fund balances beginning of year	3,972,652	1,702,714	1,494,818	3,774,141
Fund balances end of year	\$ 4,253,777	254,872	2,052,512	3,757,254

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
634,880	-	-	12,725,632
-	-	1,023,421	1,023,421
-	-	1,323,595	1,323,595
-	-	-	91,437
43,818	66,224	72,649	7,255,314
-	-	-	102,606
-	-	6,048	959,536
531	49	2,613	227,081
-	-	24,567	618,609
679,229	66,273	2,452,893	24,327,231
-	-	33,361	5,678,863
-	-	-	1,828,490
-	-	-	3,278,357
-	-	13,042	1,369,270
-	-	-	6,412,667
-	-	24,628	1,074,056
-	-	19,993	2,870,280
-	-	-	6,564
1,959,181	-	-	1,959,181
-	119,831	6,929	1,615,469
1,959,181	119,831	97,953	26,093,197
(1,279,952)	(53,558)	2,354,940	(1,765,966)
1,271,524	69,919	-	6,410,195
-	(52,440)	(3,450,489)	(6,410,195)
1,271,524	17,479	(3,450,489)	-
(8,428)	(36,079)	(1,095,549)	(1,765,966)
220,505	17,922	2,480,872	13,663,624
212,077	(18,157)	1,385,323	11,897,658

Jasper County

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

Year ended June 30, 2015

Change in fund balances - Total governmental funds (page 25) \$(1,765,966)

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

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

Expenditures for capital assets	\$ 2,893,734	
Capital assets contributed by the Iowa Department of Transportation and others	4,309,205	
Depreciation/amortization expense	<u>(3,009,565)</u>	4,193,374

In the Statement of Activities, the loss on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources. (46,330)

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	1,235	
Other	<u>495,129</u>	496,364

Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the Statement of Net Position. 1,585,000

The current year County share of IPERS contributions is reported as expenditures in the governmental funds but is reported as deferred outflows of resources in the Statement of Net Position. 810,380

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	60,961	
Other postemployment benefits	(39,900)	
Pension expense	(321,363)	
Interest on long-term debt	<u>6,971</u>	<u>(293,331)</u>

Change in net position of governmental activities (page 19) \$ 4,979,491

See notes to financial statements.

Jasper County
Statement of Fiduciary Net Position
Fiduciary Funds

June 30, 2015

	Other Employee Benefit Trust	Private Purpose Trust	Agency
Assets			
Cash and pooled investments:			
County Treasurer	\$ 119,042	49,174	2,333,772
Other County officials	-	-	39,109
Receivables:			
Property tax:			
Delinquent	-	-	74,034
Succeeding year	-	-	33,971,000
Accounts	-	-	29,527
Special assessments	-	-	177,966
Due from other governments	-	-	80,699
Total assets	119,042	49,174	36,706,107
Liabilities			
Accounts payable	-	-	18,332
Salaries and benefits payable	-	-	20,964
Due to other governments	-	-	36,323,900
Trusts payable	-	-	201,170
Compensated absences	-	-	141,741
Total liabilities	-	-	36,706,107
Net position			
Held in trust for employee benefits and others	\$ 119,042	49,174	-
See notes to financial statements.			

Jasper County
Statement of Changes in Fiduciary Net Position
Fiduciary Funds

Year ended June 30, 2015

	Other Employee Benefit Trust	Private Purpose Trust
Additions:		
Donations and contributions	\$ 42,678	-
Interest on investments	-	234
Total additions	<u>42,678</u>	<u>234</u>
Deductions:		
Distributions to participants	49,225	152
Change in net position held in trust	(6,547)	82
Net position beginning of year	<u>125,589</u>	<u>49,092</u>
Net position end of year	<u>\$ 119,042</u>	<u>49,174</u>

See notes to financial statements.

Jasper County

Notes to Financial Statements

June 30, 2015

(1) Summary of Significant Accounting Policies

Jasper County is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Treasurer, Recorder, Sheriff and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance and general administrative services.

The County's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Jasper 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 Jasper 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.

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

Jointly Governed Organizations – The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Jasper County Assessor’s Conference Board, Jasper County Emergency Management Commission and Jasper 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 Newton Sanitary Landfill, a jointly governed organization established pursuant to Chapter 28E of the Code of Iowa.

B. Basis of Presentation

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

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

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

Restricted net position:

Nonexpendable – Nonexpendable net position is subject to externally imposed stipulations which requires it to be maintained permanently by the County, including the County’s Permanent Fund.

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

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities and other capital assets.

Additionally, the County reports the following fiduciary funds:

The Other Employee Benefit Trust Fund is used to account for resources held for retired employees who participated in the County's sick leave conversion program.

The Private Purpose Trust Fund is used to account for resources held for the Newton Memorial Park Cemetery.

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity

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

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

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2013 assessed property valuations; is for the tax accrual period July 1, 2014 through June 30, 2015 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2014.

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.

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

Due from and Due to Other Funds – During the course of its operations, the County has numerous transactions between funds. To the extent certain transactions between funds have not been paid or received as of June 30, 2015, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

Inventories – Inventories are valued at cost using the first-in, first-out method. Inventories 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, 1980 (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
Intangibles	\$ 100,000
Infrastructure	50,000
Land improvements	5,000
Land, buildings and improvements	5,000
Machinery, equipment and vehicles	5,000

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

Asset Class	Estimated Useful lives (In Years)
Buildings	40 - 50
Building improvements	20 - 50
Infrastructure	10 - 65
Improvements other than buildings	10 - 50
Machinery and equipment	2 - 20
Vehicles	3 - 15

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

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

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation, sick leave and compensatory hours for subsequent use or for payment upon termination, death or retirement. Accumulated sick leave in excess of 1,440 hours will be paid at the last rate of pay to an employee upon retirement. Upon retirement, employees may elect to convert up to 720 hours of accumulated sick leave to cash to be accounted for in the Fiduciary, Employee Benefit Trust Fund and used for continued health care coverage. 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, 2015. 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.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources - Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist 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 and tax increment financing tax receivable that will not be recognized until the year for which it is levied and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

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

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

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

Unassigned - All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2015, disbursements exceeded the amount budgeted in the debt service function. Also, disbursements in certain departments exceeded the amounts appropriated.

(2) Cash and Pooled Investments

The County's deposits in banks at June 30, 2015 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

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

(3) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2015 is as follows:

Transfer to	Transfer from	Amount
General	Special Revenue:	
	Local Option Sales and Services Tax	\$2,223,963
	Capital Projects	52,440
		<u>2,276,403</u>
Special Revenue: Rural Services	Special Revenue:	
	Local Option Sales and Services Tax	<u>383,262</u>
Secondary Roads	General	214,490
	Special Revenue:	
	Rural Services	<u>2,194,597</u>
		<u>2,409,087</u>
Debt Service	Special Revenue:	
	Secondary Roads	428,260
	Tax Increment Financing	<u>843,264</u>
		<u>1,271,524</u>
Capital Projects	General	<u>69,919</u>
Total		<u>\$6,410,195</u>

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

(4) Due From and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2015 is as follows:

Receivable Fund	Payable Fund	Amount
General	Capital Projects	\$ 59,304
Capital Projects	General	<u>66,224</u>
Total		<u>\$ 125,528</u>

These balances result from the time lag between the dates interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

(5) Capital Assets

Capital assets activity for the year ended June 30, 2015 was as follows:

	Balance			Balance
	Beginning			End
	of Year	Increases	Decreases	of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 1,206,133	-	-	1,206,133
Construction in progress	1,877,535	6,210,706	8,008,629	79,612
Total capital assets not being depreciated/amortized	<u>3,083,668</u>	<u>6,210,706</u>	<u>8,008,629</u>	<u>1,285,745</u>
Capital assets being depreciated/amortized:				
Buildings	10,733,875	149,897	-	10,883,772
Improvements other than buildings	2,634,086	-	-	2,634,086
Machinery, equipment and vehicles	9,451,716	868,102	516,008	9,803,810
Intangibles	145,252	-	-	145,252
Infrastructure	49,642,089	8,078,563	-	57,720,652
Total capital assets being depreciated/amortized	<u>72,607,018</u>	<u>9,096,562</u>	<u>516,008</u>	<u>81,187,572</u>
Less accumulated depreciation/amortization for:				
Buildings	2,267,107	223,351	-	2,490,458
Improvements other than buildings	361,834	122,018	-	483,852
Machinery, equipment and vehicles	5,781,166	708,011	373,978	6,115,199
Intangibles	7,263	7,263	-	14,526
Infrastructure	21,825,044	1,948,922	-	23,773,966
Total accumulated depreciation/amortization	<u>30,242,414</u>	<u>3,009,565</u>	<u>373,978</u>	<u>32,878,001</u>
Total capital assets being depreciated/amortized, net	<u>42,364,604</u>	<u>6,086,997</u>	<u>142,030</u>	<u>48,309,571</u>
Governmental activities capital assets, net	<u>\$45,448,272</u>	<u>12,297,703</u>	<u>8,150,659</u>	<u>49,595,316</u>

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 307,709
Physical health and social services	14,163
County environment and education	70,823
Roads and transportation	2,429,644
Governmental services to residents	1,686
Administration	185,540
Total depreciation/amortization expense - governmental activities	<u>\$ 3,009,565</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, 2015 is as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
General	Services	\$ 13,149
Special Revenue:		
Mental Health	Services	1,252
Rural Services		15,339
Secondary Roads		44,045
		<u>60,636</u>
Total for governmental funds		<u>\$ 73,785</u>
Agency:		
County Assessor	Collections	\$ 721,198
Schools		20,159,027
Community Colleges		977,126
Corporations		9,238,553
Auto License and Use Tax		891,480
All other		4,336,516
Total for agency funds		<u>\$ 36,323,900</u>

(7) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2015 is as follows:

	<u>General</u>	<u>General</u>	<u>Compen-</u>	<u>Net</u>	<u>Net</u>	
	<u>Obligation</u>	<u>Obligation</u>	<u>sated</u>	<u>Pension</u>	<u>OPEB</u>	
	<u>Capital Loan</u>	<u>Obligation</u>	<u>Notes</u>	<u>Liability</u>	<u>Liability</u>	<u>Total</u>
	<u>Notes</u>	<u>Bonds</u>	<u>Absences</u>			
Balance beginning						
of year, as restated	\$ 1,990,000	10,815,000	1,800,323	6,189,852	291,100	21,086,275
Increases	-	-	666,546	-	57,400	723,946
Decreases	755,000	830,000	727,507	2,351,233	17,500	4,681,240
Balance end of year	<u>\$ 1,235,000</u>	<u>9,985,000</u>	<u>1,739,362</u>	<u>3,838,619</u>	<u>331,000</u>	<u>17,128,981</u>
Due within one year	<u>\$ 280,000</u>	<u>970,000</u>	<u>559,487</u>	<u>-</u>	<u>-</u>	<u>1,809,487</u>

General Obligation Capital Loan Notes

A summary of the County's June 30, 2015 general obligation capital loan note indebtedness is as follows:

Year Ending June 30,	Public Building Improvements			Refunding		
	Issued April 4, 2011			Issued May 15, 2013		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2016	2.85%	\$ 150,000	4,346	0.40%	\$ 130,000	10,245
2017		-	-	0.50	135,000	9,725
2018		-	-	0.70	135,000	9,050
2019		-	-	0.90	135,000	8,105
2020		-	-	1.00	135,000	6,890
2021-2025		-	-	1.20-1.45	415,000	11,490
Total		<u>\$ 150,000</u>	<u>4,346</u>		<u>\$ 1,085,000</u>	<u>55,505</u>

Year Ending June 30,	Total		
	Principal	Interest	Total
2016	\$ 280,000	14,591	294,591
2017	135,000	9,725	144,725
2018	135,000	9,050	144,050
2019	135,000	8,105	143,105
2020	135,000	6,890	141,890
2021-2025	415,000	11,490	426,490
Total	<u>\$1,235,000</u>	<u>59,851</u>	<u>1,294,851</u>

During the year ended June 30, 2015, principal payments of \$755,000 were made by the County on the general obligation capital loan notes.

General Obligation Bonds

A summary of the County's June 30, 2015 general obligation bonded indebtedness is as follows:

Year Ending June 30,	Urban Renewal			Courthouse Improvement and Refunding		
	Issued Nov 1, 2007			Issued Jan 10, 2012		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2016	5.20%	\$ 265,000	239,092	0.95%	\$ 255,000	32,750
2017	5.28	275,000	225,312	1.15	305,000	30,327
2018	5.33	295,000	210,793	1.40	300,000	26,820
2019	5.38	310,000	195,069	1.60	315,000	22,620
2020	5.40	325,000	178,406	1.85	320,000	17,580
2021-2025	5.45-5.65	1,930,000	603,330	2.00-2.15	565,000	16,820
2026-2027	5.70-5.75	935,000	81,135		-	-
Total		<u>\$4,335,000</u>	<u>1,733,137</u>		<u>\$2,060,000</u>	<u>146,917</u>

Year Ending June 30,	Refunding			Refunding		
	Issued Jan 10, 2012			Issued Jan 10, 2012		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2016	1.70%	\$ 65,000	5,730	0.95%	\$ 385,000	56,178
2017	2.00	65,000	4,625	1.15	390,000	52,520
2018	2.25	70,000	3,325	1.40	400,000	48,035
2019	2.50	70,000	1,750	1.60	405,000	42,435
2020	-	-	-	1.85	420,000	35,955
2021-2025	-	-	-	2.00-2.25	1,320,000	57,895
2026-2027	-	-	-	-	-	-
Total		\$ 270,000	15,430		\$ 3,320,000	293,018

Year Ending June 30,	Total		
	Principal	Interest	Total
2016	\$ 970,000	333,750	1,303,750
2017	1,035,000	312,784	1,347,784
2018	1,065,000	288,973	1,353,973
2019	1,100,000	261,874	1,361,874
2020	1,065,000	231,941	1,296,941
2021-2025	3,815,000	678,045	4,493,045
2026-2027	935,000	81,135	1,016,135
Total	\$ 9,985,000	2,188,502	12,173,502

During the year ended June 30, 2015, principal payments of \$830,000 were made by the County on the general obligation bonds.

(8) Pension Plan

Plan Description - IPERS membership is mandatory for employees of the County, except for those covered by another retirement system. Employees of the County are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

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

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

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

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

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

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

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

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

Contributions - Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95% of covered payroll and the County contributed 8.93% for a total rate of 14.88%. The Sheriff, deputies and the County each contributed 9.88% of covered payroll for a total rate of 19.76%. Protection occupation members contributed 6.76% of covered payroll and the County contributed 10.14% for a total rate of 16.90%.

The County's contributions to IPERS for the year ended June 30, 2015 totaled \$810,380.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the County reported a liability of \$3,838,619 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2014, the County's collective proportion was .096791%, which was a decrease of .011015% from its collective proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$321,363. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 44,331	52,958
Changes of assumptions	180,018	41,962
Net difference between projected and actual earnings on pension plan investments	-	2,062,191
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	36,450	-
County contributions subsequent to the measurement date	810,380	-
Total	<u>\$ 1,071,179</u>	<u>2,157,111</u>

\$810,380 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2016	\$ (476,791)
2017	(476,791)
2018	(476,792)
2019	(476,790)
2020	10,852
Total	<u>\$ (1,896,312)</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2014)	3.00% per annum.
Rates of salary increase (effective June 30, 2010)	4.00 to 17.00% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.50% compounded annually, net of investment expense, including inflation.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

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

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	23%	6.31%
Non US Equity	15	6.76
Private Equity	13	11.34
Real Estate	8	3.52
Core Plus Fixed Income	28	2.06
Credit Opportunities	5	3.67
TIPS	5	1.92
Other Real Assets	2	6.27
Cash	1	-0.69
Total	<u>100%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the County will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension (Asset) Liability to Changes in the Discount Rate - The following presents the County's proportionate share of the net pension (asset) liability calculated using the discount rate of 7.50%, as well as what the County's proportionate share of the net pension (asset) liability would be if it were calculated using a discount rate 1% lower (6.50%) or 1% higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
County's proportionate share of the net pension (asset) liability:	\$ 8,548,706	\$3,838,619	\$ (133,755)

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

Payables to IPERS - All legally required County contributions and legally required employee contributions which had been withheld from employee wages were remitted by the County to IPERS by June 30, 2015.

(9) Private Redevelopment Agreements

The County entered into a private redevelopment agreement with Opus Northwest, LLC (Opus), the City of Newton and the Jasper County Economic Development Corporation (JEDCO). The agreement requires Opus to construct a building on a 33 acre site with a minimum assessed value of \$13,500,000. Under the agreement, the County will provide \$694,848 to JEDCO to purchase the site and transfer it to Opus. The County will also provide a \$3,000,000 economic development grant to Opus to assist in construction of the facility. The facility constructed is leased to TPI Iowa, LLC (TPI).

The County also entered into an employer incentive agreement with TPI and the City of Newton. Pursuant to an amended agreement, TPI agreed to employ at least 500 full-time employees (FTEs) until at least December 31, 2012. The County provided \$600,000 of bond proceeds to satisfy the local match requirements associated with an Iowa Economic Development Authority grant of \$2,000,000 awarded to TPI. Also, if TPI maintained the FTEs required during calendar year 2011, TPI would receive tax rebate payments funded from the tax increment revenues generated from the improvements for calendar years 2013 through 2017. TPI has met this requirement. During the year ended June 30, 2015, the County paid \$13,044 under this agreement, for a cumulative total of \$538,571.

(10) Other Postemployment Benefits (OPEB)

Plan Description - The County operates a single-employer health benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. There are 164 active and 2 retired members in the plan. Retired participants must be age 55 or older at retirement, with the exception of special service participants who must be age 50 with 22 years of service.

The health coverage is purchased through and administered by United Health Care. Retirees under age 65 pay the same premium for the health coverage 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, 2015, the amount actually contributed to the plan and changes in the County’s net OPEB obligation:

Annual required contribution	\$ 57,400
Interest on net OPEB obligation	11,600
Adjustment to annual required contribution	<u>(11,600)</u>
Annual OPEB cost	57,400
Contributions made	<u>(17,500)</u>
Increase in net OPEB obligation	39,900
Net OPEB obligation beginning of year	<u>291,100</u>
Net OPEB obligation end of year	<u>\$ 331,000</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. 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, 2015.

For the year ended June 30, 2015, the County contributed \$17,500 to the health plan. Plan members eligible for benefits contributed \$33,100, or 65% of the premium costs.

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
2013	\$ 92,300	35.3%	\$ 249,600
2014	92,500	55.1	291,100
2015	57,400	30.5	331,000

Funded Status and Funding Progress – As of July 1, 2014, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was approximately \$501,000 with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$501,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$8,478,000 and the ratio of the UAAL to covered payroll was 5.9%. As of June 30, 2015, 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, 2014 actuarial valuation date, the projected 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 .5% each year until reaching the 5% ultimate trend rate. An inflation rate of 3% is assumed for the purposes of this calculation.

Mortality rates are from the MP-2014 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2010 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2010.

Projected claim costs of the medical plan are \$1,082 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.

(11) 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 727 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 expense estimated for the fiscal year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of basis rate.

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

The County's property and casualty contributions to the 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, 2015 were \$194,996.

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 \$250,000 each occurrence, each location. Property risks exceeding \$250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate.

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

The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2015, no liability has been recorded in the County's financial statements. As of June 30, 2015, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$1,000,000 and \$250,000, 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.

(12) Voluntary Termination Benefit Program

A voluntary termination benefit program has been established for County employees. The program allows an employee who is eligible, upon a bona fide retirement, to use the value of up to 720 hours of their unused sick leave to pay the County's share of the monthly premium of the County's group health insurance plan after their retirement.

Upon retirement, the balance of the accrued sick leave will be credited to the employee's sick leave upon retirement account. The County will continue to pay its share of the health insurance premium each month until the converted value of the employee's sick leave balance is exhausted. The converted value of the sick leave can only be applied to the County's share of health insurance premiums.

All program benefits are financed on a pay-as-you-go basis by the County. The County accounts for retiree activity in the Fiduciary, Other Employee Benefit Trust Fund. Amounts due for the program have been included in and reported as compensated absences on the government-wide financial statements. The liability for expected future health insurance benefits under this program at June 30, 2015 is \$1,072,790.

For the year ended June 30, 2015, nine employees participated and received benefits totaling \$49,225 under the program. The County contributed \$59,245 to the fund for retirees under the program.

(13) Lessor Operating Leases

The County leases two parcels of land, a piece of farm ground and a pasture. The following is a schedule by year of minimum future rentals on these operating leases as of June 30, 2015:

Year ending June 30,	Amount
2016	\$ 45,573

(14) Pending Litigation

The County is a defendant in a lawsuit seeking unspecified damages for which the probability and amount of loss, if any, is undeterminable.

(15) Jasper County Financial Information Included in the Central Iowa Community Services Mental Health Region

The Central Iowa Community Services (CICS) Mental Health Region, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa which became effective July 10, 2014, includes the following member counties: Boone County, Franklin County, Hamilton County, Hardin County, Jasper County, Madison County, Marshall County, Poweshiek County, Story County and Warren County. The financial activity of Jasper County's Special Revenue, Mental Health Fund is included in the CICS Mental Health Region for the year ended June 30, 2015, as follows:

Revenues:		
Property and other county tax		\$ 1,636,870
Intergovernmental:		
State tax credits	\$ 112,539	
Social services block grant	77,521	
Other	3,585	193,645
Total revenues		<u>1,830,515</u>
Expenditures:		
Services to persons with:		
Mental illness	528,845	
Intellectual disabilities	47,405	
Other developmental disabilities	130,192	706,442
General administration:		
Direct administration	84,844	
Purchased administration	7,369	
Distribution to regional fiscal agent	2,479,702	2,571,915
Total expenditures		<u>3,278,357</u>
Excess of expenditures over revenues		(1,447,842)
Fund balance beginning of year		<u>1,702,714</u>
Fund balance end of year		<u>\$ 254,872</u>

(16) Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27, was implemented during fiscal year 2015. The revised requirements 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, GASB Statement No. 68 requires a state or local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources are not reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by Governmental Accounting Standards Board Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Beginning net position for governmental activities was restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date, as follows:

	<u>Governmental Activities</u>
Net position June 30, 2014, as previously reported	\$ 44,498,531
Net pension liability at June 30, 2014	(6,189,852)
Deferred outflows of resources related to prior year contributions made after the June 30, 2013 measurement date	<u>776,284</u>
Net position July 1, 2014, as restated	<u><u>\$39,084,963</u></u>

Jasper County

Required Supplementary Information

Jasper 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, 2015

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	\$ 15,067,319	-	15,067,319
Interest and penalty on property tax	91,437	-	91,437
Intergovernmental	7,029,157	-	7,029,157
Licenses and permits	135,088	-	135,088
Charges for service	931,291	-	931,291
Use of money and property	140,418	-	140,418
Miscellaneous	697,461	-	697,461
Total receipts	<u>24,092,171</u>	-	<u>24,092,171</u>
Disbursements:			
Public safety and legal services	5,650,405	-	5,650,405
Physical health and social services	1,820,630	-	1,820,630
Mental health	3,327,825	-	3,327,825
County environment and education	1,380,268	-	1,380,268
Roads and transportation	6,631,881	-	6,631,881
Governmental services to residents	1,044,855	-	1,044,855
Administration	2,872,547	-	2,872,547
Non-program	6,564	-	6,564
Debt service	1,959,179	-	1,959,179
Capital projects	1,550,193	-	1,550,193
Total disbursements	<u>26,244,347</u>	-	<u>26,244,347</u>
Excess (deficiency) of receipts over (under) disbursements	(2,152,176)	-	(2,152,176)
Other financing sources, net	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(2,152,176)	-	(2,152,176)
Balance beginning of year	13,791,091	57,884	13,733,207
Balance end of year	<u>\$ 11,638,915</u>	<u>57,884</u>	<u>11,581,031</u>

See accompanying independent auditor's report.

Budgeted Amounts		Final to Net Variance
Original	Final	
14,679,629	14,702,361	364,958
115,000	66,209	25,228
6,953,850	7,518,369	(489,212)
72,500	88,648	46,440
970,864	1,144,793	(213,502)
162,845	184,091	(43,673)
548,369	756,993	(59,532)
<u>23,503,057</u>	<u>24,461,464</u>	<u>(369,293)</u>
5,595,912	6,007,563	357,158
1,914,295	2,115,753	295,123
1,669,429	4,348,717	1,020,892
1,498,601	1,492,824	112,556
7,112,780	7,172,780	540,899
1,215,682	1,260,972	216,117
3,142,599	3,093,585	221,038
30,500	27,564	21,000
1,959,180	1,958,704	(475)
3,044,568	2,164,568	614,375
<u>27,183,546</u>	<u>29,643,030</u>	<u>3,398,683</u>
(3,680,489)	(5,181,566)	3,029,390
15,000	10,000	(10,000)
(3,665,489)	(5,171,566)	3,019,390
<u>11,116,241</u>	<u>16,192,817</u>	<u>(2,459,610)</u>
<u>7,450,752</u>	<u>11,021,251</u>	<u>559,780</u>

Jasper County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2015

	Governmental Funds		
	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis
Revenues	\$ 24,092,171	235,060	24,327,231
Expenditures	26,244,347	(151,150)	26,093,197
Net	(2,152,176)	386,210	(1,765,966)
Beginning fund balances	13,791,091	(157,467)	13,633,624
Ending fund balances	\$ 11,638,915	228,743	11,867,658

See accompanying independent auditor's report.

Jasper County

Jasper County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2015

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

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except blended component units and Fiduciary 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, the Debt Service Fund, the Capital Projects Fund and the Permanent 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, four budget amendments increased budgeted disbursements by \$2,459,484. The budget amendments are reflected in the final budgeted amounts.

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

During the year ended June 30, 2015, disbursements exceeded the amount budgeted in the debt service function. Also, disbursements in certain departments exceeded the amounts appropriated.

Jasper County

Schedule of the County's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System
Last Fiscal Year*
(In Thousands)

Required Supplementary Information

	<u>2015</u>
County's collective proportion of the net pension liability (asset)	0.096791%
County's collective proportionate share of the net pension liability (asset)	\$ 3,839
County's covered-employee payroll	\$ 8,482
County's collective proportionate share of the net pension liability as a percentage of its covered-employee payroll	45.26%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

* The amounts presented for each fiscal year were determined as of June 30.
See accompanying independent auditor's report.

Jasper County

Schedule of County Contributions

Iowa Public Employees' Retirement System
Last Ten Fiscal Years
(In Thousands)

Required Supplementary Information

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Statutorily required contribution	\$ 810	776	732	685
Contributions in relation to the statutorily required contribution	<u>(810)</u>	<u>(776)</u>	<u>(732)</u>	<u>(685)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered-employee payroll	\$ 8,840	8,482	8,172	8,104
Contributions as a percentage of covered-employee payroll	9.16%	9.15%	8.96%	8.45%

See accompanying independent auditor's report.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
597	553	540	484	444	429
<u>(597)</u>	<u>(553)</u>	<u>(540)</u>	<u>(484)</u>	<u>(444)</u>	<u>(429)</u>
-	-	-	-	-	-
7,997	7,869	8,069	7,753	7,317	7,071
7.47%	7.03%	6.69%	6.24%	6.07%	6.07%

Jasper County

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2015

Changes of benefit terms:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3% per year measured from the member's first unreduced retirement age to a 6% reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer, instead of the previous 40-60 split.

Changes of assumptions:

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

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

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25% to 4.00%.
- Lowered the inflation assumption from 3.50% to 3.25%.
- Lowered disability rates for sheriffs, deputies and protection occupation members.

Jasper 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)
2009	Jul 1, 2008	-	\$ 688	688	0.0%	\$ 8,083	8.5%
2010	Jul 1, 2008	-	688	688	0.0	7,876	8.7
2011	Jul 1, 2008	-	688	688	0.0	7,967	8.6
2012	Jul 1, 2011	-	777	777	0.0	7,825	9.9
2013	Jul 1, 2011	-	777	777	0.0	7,825	9.9
2014	Jul 1, 2011	-	777	777	0.0	7,825	9.9
2015	Jul 1, 2014	-	501	501	0.0	8,478	5.9

See Note 10 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

Jasper County
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2015

	County Recorder's Records Management	Resource Enhancement and Protection	Special Local Option Sales and Services Tax
Assets			
Cash and pooled investments	\$ 17,173	215,408	-
Receivables:			
Delinquent property tax	-	-	-
Succeeding year tax increment financing	-	-	-
Due from other governments	-	-	209,298
Total assets	\$ 17,173	215,408	209,298
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities	\$ -	-	-
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year tax increment financing	-	-	-
Other	-	-	-
Total deferred inflows of resources	-	-	-
Fund balances:			
Nonspendable - Permanent Fund	-	-	-
Restricted for:			
Local option sales and services tax purposes	-	-	209,298
Debt service	-	-	-
Other purposes	17,173	215,408	-
Total fund balances	17,173	215,408	209,298
Total liabilities, deferred inflows of resources and fund balances	\$ 17,173	215,408	209,298

See accompanying independent auditor's report.

Revenue				
Drainage Districts	Tax Increment Financing	Other	Permanent Loskot Trust	Total
57,884	691,103	178,254	16,203	1,176,025
-	737	-	-	737
-	946,000	-	-	946,000
-	-	-	-	209,298
57,884	1,637,840	178,254	16,203	2,332,060
-	-	-	-	-
-	946,000	-	-	946,000
-	737	-	-	737
-	946,737	-	-	946,737
-	-	-	12,000	12,000
-	-	-	-	209,298
-	691,103	-	-	691,103
57,884	-	178,254	4,203	472,922
57,884	691,103	178,254	16,203	1,385,323
57,884	1,637,840	178,254	16,203	2,332,060

Jasper County

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

Year ended June 30, 2015

	Special			Revenue
	County Recorder's Records Management	Resource Enhancement and Protection	Local Option Sales and Services Tax	Drainage Districts
Revenues:				
Tax increment financing	\$ -	-	-	-
Local option sales and services tax	-	-	1,323,595	-
Intergovernmental	-	21,112	-	-
Charges for service	6,048	-	-	-
Use of money and property	60	445	-	-
Miscellaneous	-	-	-	-
Total revenues	6,108	21,557	1,323,595	-
Expenditures:				
Operating:				
Public safety and legal services	-	-	-	-
County environment and education	-	-	-	-
Governmental services to residents	24,628	-	-	-
Administration	-	-	-	-
Capital projects	-	6,929	-	-
Total expenditures	24,628	6,929	-	-
Excess (deficiency) of revenues over (under) expenditures	(18,520)	14,628	1,323,595	-
Other financing uses:				
Transfers out	-	-	(2,607,225)	-
Change in fund balances	(18,520)	14,628	(1,283,630)	-
Fund balances beginning of year	35,693	200,780	1,492,928	57,884
Fund balances end of year	\$ 17,173	215,408	209,298	57,884

See accompanying independent auditor's report.

Tax Increment Financing	Other	Permanent Loskot Trust	Total
1,023,421	-	-	1,023,421
-	-	-	1,323,595
51,537	-	-	72,649
-	-	-	6,048
1,987	79	42	2,613
-	24,567	-	24,567
1,076,945	24,646	42	2,452,893
-	33,361	-	33,361
13,042	-	-	13,042
-	-	-	24,628
-	19,993	-	19,993
-	-	-	6,929
13,042	53,354	-	97,953
1,063,903	(28,708)	42	2,354,940
(843,264)	-	-	(3,450,489)
220,639	(28,708)	42	(1,095,549)
470,464	206,962	16,161	2,480,872
691,103	178,254	16,203	1,385,323

Jasper County
 Combining Schedule of Fiduciary Assets and Liabilities
 Agency Funds

June 30, 2015

	County Offices	Agricultural Extension Education	County Assessor	Community Schools	Community Colleges
Assets					
Cash and pooled investments:					
County Treasurer	\$ -	3,111	556,845	247,494	12,169
Other County officials	39,109	-	-	-	-
Receivables:					
Property tax:					
Delinquent	-	551	831	44,533	1,957
Succeeding year	-	226,000	289,000	19,867,000	963,000
Accounts	-	-	-	-	-
Special assessments	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total assets	\$ 39,109	229,662	846,676	20,159,027	977,126
Liabilities					
Liabilities:					
Accounts payable	\$ -	-	695	-	-
Salaries and benefits payable	-	-	16,491	-	-
Due to other governments	39,109	229,662	721,198	20,159,027	977,126
Trusts payable	-	-	-	-	-
Compensated absences	-	-	108,292	-	-
Total liabilities	\$ 39,109	229,662	846,676	20,159,027	977,126

See accompanying independent auditor's report.

Corporations	Townships	City Special Assessments	Auto License and Use Tax	Other	Total
125,047	4,327	10,906	891,480	482,393	2,333,772
-	-	-	-	-	39,109
24,506	801	-	-	855	74,034
9,089,000	355,000	-	-	3,182,000	33,971,000
-	-	-	-	29,527	29,527
-	-	177,966	-	-	177,966
-	-	-	-	80,699	80,699
9,238,553	360,128	188,872	891,480	3,775,474	36,706,107
-	-	-	-	17,637	18,332
-	-	-	-	4,473	20,964
9,238,553	360,128	188,872	891,480	3,518,745	36,323,900
-	-	-	-	201,170	201,170
-	-	-	-	33,449	141,741
9,238,553	360,128	188,872	891,480	3,775,474	36,706,107

Jasper County

Combining Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds

Year ended June 30, 2015

	Agricultural				
	County Offices	Extension Education	County Assessor	Schools	Community Colleges
Assets and Liabilities					
Balances beginning of year	\$ 49,207	240,096	1,039,928	19,245,148	949,282
Additions:					
Property and other county tax	-	233,154	300,161	20,449,289	994,268
E911 surcharge	-	-	-	-	-
State tax credits	-	17,278	30,919	1,379,297	66,372
Driver's license fees	-	-	-	-	-
Office fees and collections	821,164	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-	-
Assessments	-	-	-	-	-
Trusts	330,376	-	-	-	-
Miscellaneous	-	-	-	-	-
Total additions	1,151,540	250,432	331,080	21,828,586	1,060,640
Deductions:					
Agency remittances:					
To other funds	559,566	-	-	-	-
To other governments	383,775	260,866	524,332	20,914,707	1,032,796
Trusts paid out	218,297	-	-	-	-
Total deductions	1,161,638	260,866	524,332	20,914,707	1,032,796
Balances end of year	\$ 39,109	229,662	846,676	20,159,027	977,126

See accompanying independent auditor's report.

Corporations	Townships	City Special Assessments	Auto License and Use Tax	Other	Total
9,272,733	352,484	95,588	825,087	4,082,008	36,151,561
9,092,302	373,846	-	-	3,087,173	34,530,193
-	-	-	-	486,745	486,745
759,301	20,817	-	-	162,253	2,436,237
-	-	-	242,781	-	242,781
-	-	-	-	6,632	827,796
-	-	-	10,276,263	-	10,276,263
-	-	182,816	-	-	182,816
-	-	-	-	600,180	930,556
-	-	-	-	318,463	318,463
9,851,603	394,663	182,816	10,519,044	4,661,446	50,231,850
-	-	-	386,185	-	945,751
9,885,783	387,019	89,532	10,066,466	4,404,504	47,949,780
-	-	-	-	563,476	781,773
9,885,783	387,019	89,532	10,452,651	4,967,980	49,677,304
9,238,553	360,128	188,872	891,480	3,775,474	36,706,107

Jasper County

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

For the Last Ten Years

	2015	2014	2013	2012
Revenues:				
Property and other county tax	\$ 12,725,632	12,476,599	12,562,086	13,150,092
Tax increment financing	1,023,421	1,046,732	1,045,731	656,972
Local option sales and services tax	1,323,595	1,291,837	1,257,023	1,258,294
Interest and penalty on property tax	91,437	103,701	118,511	112,902
Intergovernmental	7,255,314	6,273,322	6,756,315	7,194,041
Licenses and permits	102,606	115,039	96,379	87,118
Charges for service	959,536	978,744	1,028,561	926,143
Use of money and property	227,081	226,008	181,483	211,185
Miscellaneous	618,609	521,057	644,364	549,034
Total	\$ 24,327,231	23,033,039	23,690,453	24,145,781
Expenditures:				
Operating:				
Public safety and legal services	\$ 5,678,863	5,223,925	4,898,752	4,807,315
Physical health and social services	1,828,490	1,817,665	1,871,986	1,656,699
Mental health	3,278,357	1,040,216	941,390	4,345,312
County environment and education	1,369,270	1,375,502	1,830,482	1,325,737
Roads and transportation	6,412,667	5,713,570	6,602,333	6,544,659
Governmental services to residents	1,074,056	962,079	915,088	925,388
Administration	2,870,280	2,927,232	2,950,132	2,805,074
Non-program	6,564	42,394	9,346	15,829
Debt service	1,959,181	3,772,649	1,915,330	3,960,276
Capital projects	1,615,469	1,202,624	1,015,233	2,217,792
Total	\$ 26,093,197	24,077,856	22,950,072	28,604,081

See accompanying independent auditor's report.

Modified Accrual Basis					
2011	2010	2009	2008	2007	2006
12,361,664	12,332,220	12,148,843	11,905,983	11,868,910	11,705,904
676,989	592,150	419,479	267,768	294,204	238,561
1,322,175	1,266,740	1,241,293	1,243,746	1,056,192	-
126,863	117,212	124,322	109,752	111,155	106,187
7,237,209	7,095,801	8,715,856	7,141,355	7,719,665	7,518,337
66,667	74,724	72,004	70,816	72,550	104,297
981,953	984,163	1,057,610	990,787	984,919	1,034,993
278,877	298,819	375,452	556,844	644,635	466,665
492,838	572,780	510,187	579,022	608,518	424,392
<u>23,545,235</u>	<u>23,334,609</u>	<u>24,665,046</u>	<u>22,866,073</u>	<u>23,360,748</u>	<u>21,599,336</u>
4,720,013	4,490,429	4,363,202	4,204,230	3,947,911	3,707,359
1,763,627	1,879,107	1,751,652	1,774,103	1,764,524	1,681,600
3,626,922	3,309,741	3,614,092	4,085,414	3,935,254	3,694,993
1,326,599	1,234,876	3,007,680	1,446,616	1,135,184	1,046,555
5,994,849	5,791,297	5,463,308	5,933,784	4,976,047	4,773,484
855,852	938,498	867,398	843,578	798,300	1,121,043
2,770,982	2,614,877	2,682,493	2,656,102	2,582,618	2,138,150
8,156	7,279	5,860	38,553	798	6,320
1,828,698	1,833,025	1,826,464	1,676,997	1,615,440	1,422,630
419,411	43,778	1,329,406	4,948,584	1,238,670	2,065,874
<u>23,315,109</u>	<u>22,142,907</u>	<u>24,911,555</u>	<u>27,607,961</u>	<u>21,994,746</u>	<u>21,658,008</u>

Schedule 6

Jasper County

Schedule of Expenditures of Federal Awards

Year ended June 30, 2015

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 42,409
U.S. Department of Transportation:			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	BROS-C050 (104) - 8J-50	7,059
Highway Planning and Construction	20.205	BROS-C050 (76)	4,963
Highway Planning and Construction	20.205	BROS-C050 (93)	1,133,041
Highway Planning and Construction	20.205	TAP-R-C050(106)-8T-50	71,865
			1,216,928
Iowa Department of Public Safety - Governor's Traffic Safety Bureau:			
State and Community Highway Safety	20.600	15-402-MOPT Task 12-00-00	8,412
National Priority Safety Programs	20.616	14-405d-M6OT Task 30-00-00	2,609
Iowa Department of Homeland Security and Emergency Management:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703		1,000
U.S. Department of Health and Human Services:			
Aging Resources of Central Iowa:			
Aging Cluster:			
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	Title III/ES: Nutrition	125,669
Nutrition Services Incentive Program	93.053	Title III/ES: Nutrition	44,251
			169,920
Iowa Department of Public Health:			
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness Aligned Cooperative Agreements	93.074	5885BT30	52,267

Jasper County
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2015

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Indirect (continued):			
U.S. Department of Health and Human Services:			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Refugee and Entrant Assistance - State Administered Programs	93.566		93
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		10,967
Foster Care_Title IV-E	93.658		16,255
Adoption Assistance	93.659		5,133
Children's Health Insurance Program	93.767		260
Medical Assistance Program	93.778		79,868
Social Services Block Grant	93.667		13,050
U.S. Department of Homeland Security:			
Iowa Department of Homeland Security and Emergency Management:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA4187-DR-IA	158,146
Emergency Management Performance Grants	97.042	EMPG-14-PT-50	39,875
Total			<u>\$ 1,817,192</u>

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

See accompanying independent auditor's report.

Jasper County



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Mary Mosiman, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

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 Jasper 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 Jasper County, Iowa, as of and for the year ended June 30, 2015, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 22, 2016.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the County's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in Part II of the accompanying Schedule of Findings and Questioned Costs as items II-A-15 and II-B-15 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in Part II of the accompanying Schedule of Findings and Questioned Costs as items II-C-15 and II-D-15 to be significant deficiencies.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2015 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.


Jasper County's Responses to the Findings


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

Purpose of this Report

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

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

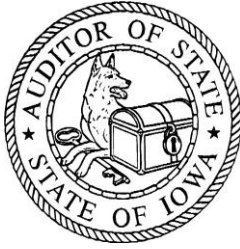

MARY MOSIMAN, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

February 22, 2016

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

Jasper County



**OFFICE OF AUDITOR OF STATE
STATE OF IOWA**

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

To the Officials of Jasper County:

Report on Compliance for Each Major Federal Program

We have audited Jasper County, Iowa's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on its major federal program for the year ended June 30, 2015. Jasper County's major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, Jasper County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2015.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items III-A-15 and III-B-15 to be material weaknesses.

Jasper County's responses to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Jasper County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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



MARY MOSIMAN, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

February 22, 2016

Jasper County
Schedule of Findings and Questioned Costs
Year ended June 30, 2015

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

- (a) Unmodified opinions were issued on the financial statements.
- (b) Significant deficiencies and material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) Material weaknesses in internal control over the major program were disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit disclosed audit findings required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The major program was CFDA Number 20.205 – Highway Planning and Construction.
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Jasper County did not qualify as a low-risk auditee.

Jasper County

Schedule of Findings and Questioned Costs

Year ended June 30, 2015

Part II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

II-A-15 Segregation of Duties – During our review of internal control, the existing procedures are evaluated in order to determine incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and, therefore, maximizes the accuracy of the County's financial statements. Generally, one or two individuals in the offices identified may have control over the following areas for which no compensating controls exist:

	<u>Applicable Offices</u>
(1) All incoming mail is not opened by an employee who is not authorized to make entries to the accounting records.	Treasurer, Sheriff (Civil), Recorder, Environmental Health and Home Care Aides, Conservation, Community Services, Elderly Nutrition, Emergency Management and E-911
(2) Generally, one individual may have control over listing mail receipts, collecting, depositing, posting, maintaining receivable records and daily reconciling of receipts for which no compensating controls exist. The initial listing is not compared to receipt records by an independent person. In the County Treasurer's Office, E-911 and the County Sheriff's Office, a listing of mail receipts is not prepared.	Treasurer, Sheriff (Civil and Jail), Secondary Roads, Recorder, Community Services, Environmental Health and Home Care Aides, Conservation, Elderly Nutrition, Emergency Management and E- 911
(3) Bank accounts were not reconciled by an individual who does not sign checks, handle or record cash. Bank reconciliations were not reviewed periodically by an independent person for propriety.	Treasurer, Sheriff (Civil and Jail), Recorder, Elderly Nutrition and County Extension Office
(4) Investments are not periodically inspected or reconciled to investment records by an independent person and an independent verification of interest earnings is not performed.	Treasurer

Jasper County

Schedule of Findings and Questioned Costs

Year ended June 30, 2015

- | | |
|---|------------------------|
| (5) Depositing, reconciling and recording of receipts is done by the custodian of the change funds for which no compensating controls exist. | Treasurer |
| (6) Daily cash reconciliations for motor vehicle and driver's licenses are not reviewed and approved by an independent person for propriety. Daily cash reconciliations prepared in the Recorder's Office are not reviewed and approved by an independent person for propriety. | Treasurer and Recorder |
| (7) All individuals in tax, motor vehicle and driver's license have the ability to void receipts in Eden/Arts (DOT system), including individuals who perform daily balancing. No report is maintained or review performed over voided receipts. | Treasurer |
| All individuals in the County Recorder's and County Sheriff's Offices have the ability to void receipts, including individuals who perform daily balancing. No report is maintained or review performed over voided receipts. | Recorder and Sheriff |
| (8) Journal entries are not reviewed and approved. | Auditor |

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

Responses –

Auditor – The Deputy Auditor of Finance and payroll Clerk are preparing the journal entries. The County Auditor or one of the other Deputy Auditors will approve all future journal entries.

Treasurer – Our best effort will be made to properly segregate duties. Bank reconciliations will be reviewed by an independent person. An independent person will review and approve the daily cash reconciliations and document this approval with signatures/dates. We will generate and review voided receipt reports.

Jasper County

Schedule of Findings and Questioned Costs

Year ended June 30, 2015

Sheriff – We will continue to work on segregation of duties and have made adjustments where possible. Bank accounts will be reviewed to periodically ensure outstanding deposits and checks are clearing the account. We will review voided receipts as recommended. We will continue to review our operating procedures. Grant funds received through reimbursed claims will be directly deposited with the Jasper County Treasurer. We have corrected the outstanding checks and canceled them after one year, and will continue to follow this recommendation. We will review the other items under consideration and make changes as well.

Recorder – The recommendations will be taken under advisement. I will work to rectify the issues that I can. Due to staff size some may be difficult. We are currently compiling a procedures manual.

Engineer (response and corrective action planned) – One person opens and logs incoming receipts, another person processes them for delivery to the Treasurer, and a third reviews delivered receipts. Further segregation is limited by available staff.

Community Services – Duties are segregated between the two staff to the extent possible. Our office will be increasing staff to cover additional duties and will be able to segregate duties more effectively.

Environmental Health and Home Care Aides – Due to limited staff, segregation of duties is difficult to achieve. We will strive to improve ways of dealing with overall duties and funding.

Conservation (response and corrective action planned) – We will try to segregate duties as much as possible with our limited budget and staff.

Elderly Nutrition – Due to staff limitations it is difficult to segregate duties. We will make the best effort possible to segregate the duties to the best of our abilities and explore ways to improve.

Emergency Management – Given the fact there are only two people in the office, it makes it difficult to meet the segregation of duties requirement.

E-911 – We will try to segregate duties but we have no additional personnel.

County Extension Office – We will ask a Council member who does not sign checks to review, sign and date the bank reconciliations.

Conclusions – Auditor, Sheriff, Recorder, Community Services, Environmental Health and Home Care Aides, Conservation, Elderly Nutrition and County Extension Office responses accepted. Other responses acknowledged. Each office should utilize current personnel, including elected officials and personnel from other offices, to provide additional control through review of financial transactions, reconciliations and reports.

II-B-15 Financial Reporting – During the audit, we identified material amounts of receivables, payables and deferred inflows of resources not recorded and cash adjustments incorrectly recorded in the County's financial statements. Adjustments were subsequently made by the County to properly record these amounts in the financial statements.

Jasper County

Schedule of Findings and Questioned Costs

Year ended June 30, 2015

Recommendation – The County should establish procedures to ensure all receivables, payables, deferred inflows of resources and cash adjustments are properly identified and included in the County’s financial statements.

Responses –

Treasurer – The County will establish procedures to better monitor and accurately record receivables.

Auditor – The County Auditor’s Office will do a better job monitoring payables, and cash adjustments to make sure they are properly identified and included in the County’s financial statements.

Conclusions – Responses accepted.

II-C-15 County Engineer – Fuel usage reports are not generated and reviewed by an independent person.

Recommendation – Fuel usage reports should be generated and reviewed by an independent person to determine the propriety of fuel used.

Response – We will establish procedures to ensure fuel usage reports for the Engineer’s office are generated and reviewed.

Conclusion – Response accepted.

II-D-15 Sheriff Change Fund – The Sheriff does not maintain a change fund. Change, when needed for cash payments, is made from daily receipts.

Recommendation – The Sheriff should establish a change fund through a request to the Board of Supervisors. Change should be made from the change fund and all receipts should be deposited intact.

Response – Each authorized individual has a separate cash bag. In the event we are unable to reconcile, this allows us to review each separate cash bag and locate the error, if any. We want to limit cash on hand and having another cash drawer on hand.

Conclusion – Response acknowledged. A change fund should be established to make change, as needed. All receipts should be deposited intact.

Jasper County
Schedule of Findings and Questioned Costs
Year ended June 30, 2015

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Jasper County

Schedule of Findings and Questioned Costs

Year ended June 30, 2015

Part III: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

CFDA Number 20.205: Highway Planning and Construction
Pass-through Number: BROS-C050(93)-8J-50, BROS-C050(104)-8J-50
Federal Award Year: 2015
U.S. Department of Transportation
Passed through the Iowa Department of Transportation

III-A-15 Segregation of Duties Over Federal Revenue – The Secondary Roads
(2015-001) Department did not properly segregate opening the mail, collecting, depositing, posting and reconciling functions for revenues, including those related to federal programs. See item II-A-15.

CFDA Number 20.205: Highway Planning and Construction
Pass-through Number: TAP-R-C050(106)--8T-50
Federal Award Year: 2015
U.S. Department of Transportation
Passed through the Iowa Department of Transportation

III-B-15 Segregation of Duties Over Federal Revenue – The Conservation Department
(2015-002) did not properly segregate opening the mail, collecting, depositing, posting and reconciling functions for revenues, including those related to federal programs. See item II-A-15.

Jasper County

Schedule of Findings and Questioned Costs

Year ended June 30, 2015

Part IV: Other Findings Related to Required Statutory Reporting:

IV-A-15 Certified Budget – Disbursements during the year ended June 30, 2015 exceeded the amount budgeted for the debt service function. Disbursements in certain departments exceeded the amounts appropriated.

In June 2015, the County held a public hearing to amend the fiscal year 2015 budget. The published amendment included errors which resulted in an unintended decrease of \$270,179 in the roads and transportation function budgeted disbursements.

The notice of the budget hearing was not published at least 10 days prior to the hearing as required by Chapters 331.434(3) of the Code of Iowa.

Recommendation – The budget should have been amended as required by 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.

The notice of the budget hearing should be published not less than 10 days or more than 20 days prior to the hearing date, as required.

Response – The County Auditor will advise the Board of Supervisors in properly following the Iowa Code for the budget amendment process before disbursements are allowed to exceed the budget and appropriations. We will ensure the notice of the budget hearing is published within the required time frame.

Conclusion – Response accepted.

IV-B-15 Questionable Expenditures – No disbursements we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 since the public benefits to be derived have not been clearly documented were noted.

IV-C-15 Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

IV-D-15 Business Transactions – No business transactions between the County and County officials or employees were noted.

IV-E-15 Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

IV-F-15 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

Jasper County

Schedule of Findings and Questioned Costs

Year ended June 30, 2015

IV-G-15 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County’s investment policy were noted.

IV-H-15 Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

IV-I-15 Annual Urban Renewal Report (AURR) – The AURR was not approved and certified to the Iowa Department of Management on or before December 1. In addition, the amount reported by the County as TIF debt outstanding was overstated by \$771,940. The Levy Authority Summary also included revenues, expenditures and ending cash balances which did not reconcile to the County’s Special Revenue, Tax Increment Financing Fund.

Recommendation – The County should ensure the AURR is approved and filed by December 1, as required. The County should ensure the amounts reported on the Levy Authority Summary, including TIF debt outstanding, agree with the County’s records.

Response – The County will ensure the AURR is approved and filed by December 1, as required. In addition, the County will ensure the amount reported as outstanding TIF debt includes all debt certified and certifiable. The County will ensure the amounts reported on the Levy Authority Summary agree with the County’s records.

Conclusion – Response accepted.

IV-J-15 Tax Increment Financing (TIF) – Chapter 403.19 of the Code of Iowa provides a municipality shall certify indebtedness to the County Auditor. Such certification makes it a duty of the County Auditor to provide for the division of property tax to repay the certified indebtedness. Chapter 403.19 of the Code of Iowa does not allow a municipality to set aside property tax divided for tax increment purposes for current or future urban renewal projects. Indebtedness incurred is to be certified to the County Auditor and then the divided property tax is to be used to pay the principal of and interest on the certified indebtedness. In addition, Chapter 403.19(6)(b) of the Code of Iowa requires the County to certify the amount of reductions resulting from the reduction of debt or any other reason to the County Auditor.

During the current and prior years, the County paid principal and interest on its 2012A and 2012B general obligation bonds from the Special Revenue, Tax Increment Financing Fund through transfers to the Debt Service Fund. However, the 2012A and 2012B general obligation bond principal of \$900,000 and \$870,000, respectively, and interest of \$65,247 and \$44,345, respectively, were not certified as TIF obligations. In addition, the County has made payments totaling \$538,571 from the Special Revenue, Tax Increment Financing Fund to TPI pursuant to a development agreement. However, these payments have not been certified as a TIF obligation.

Jasper County

Schedule of Findings and Questioned Costs

Year ended June 30, 2015

Also, the County refunded general obligation bond/note Series 2001, 2006A, 2006B, 2007 and 2007A, but did not decertify the refunded amounts to reduce the TIF obligation outstanding.

Recommendation – The County should certify the 2012A and 2012B general obligation bond principal and interest expected to be repaid with TIF collections and the County’s obligation under the TPI development agreement as TIF obligations, including past principal and interest amounts paid. Also, the County should decertify the Series 2001, 2006A, 2006B, 2007 and 2007A general obligation bonds which were refunded by the 2012A and 2012B issuances.

Response – The County will certify the 2012A and 2012B general obligation bond principal and interest expected to be repaid with TIF collections as a TIF obligation, including past principal and interest amounts paid. The County will decertify the Series 2011, 2006A, 2006B, 2007 and 2007A general obligation bonds which were refunded by the 2012A and 2012B issuances.

Conclusion – Response accepted.

IV-K-15 Go Fund Me Account – In June 2015, the County Conservation Department opened a “Go Fund Me” account to collect donations for playground equipment in Mariposa Park. This account may not be an allowable depository for public funds in accordance with Chapters 12B.10 and 12C of the Code of Iowa. Chapter 12B.10(1)(b) states, in part, “The treasurer of state and the treasurer of each political subdivision shall at all times keep funds coming into their possession as public money in a vault or safe to be provided for that purpose or in one or more depositories approved pursuant to chapter 12C.”

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

Response – The County’s “Go Fund Me” account was closed in February 2016. We will consult legal counsel prior to utilizing this funding mechanism in the future.

Conclusion – Response accepted.

IV-L-15 Outstanding Checks – Chapter 331.554(6) of the Code of Iowa requires checks outstanding for more than one year be canceled, removed from the list of outstanding checks and deposited to the account on which the check was written. At June 30, 2015, the County Sheriff outstanding check list included 105 checks which have been outstanding for over two years.

Recommendation – Checks outstanding for more than one year should be canceled as required.

Response – Jasper County Jail has corrected the outstanding checks and canceled them after one year and will continue to follow this recommendation.

Conclusion – Response accepted.

Jasper County

Schedule of Findings and Questioned Costs

Year ended June 30, 2015

IV-M-15 Sheriff Account – The County Sheriff maintains a bank account for Sheriff fees. The financial activity of this account includes grants and law enforcement contract activity which should be remitted directly with the County Treasurer for deposit to the General Fund or a Special Revenue Fund.

Recommendation – Collections for grants and law enforcement contracts should be remitted directly the County Treasurer.

Response – Grant funds received through reimbursed claims will be directly deposited with the Jasper County Treasurer. This includes state and federal grants and contract law enforcement revenues.

Conclusion – Response accepted.

IV-N-15 Financial Condition – At June 30, 2015, the Capital Projects Fund had a deficit balance of \$18,157.

Recommendation – The County should investigate alternatives to eliminate this deficit to return this fund to a sound financial position.

Response – The Auditor will instruct the Director of Buildings and Grounds on taking Capital Project expenditures from the proper funds to avoid future deficits. The deficit will be eliminated through a transfer from an appropriate fund.

Conclusion – Response accepted.

IV-O-15 Electronic Check Retention – Chapter 554D.114 of the Code of Iowa allows entities to retain cancelled checks in an electronic format and requires retention in this manner to include an image of both the front and back of each cancelled check. The County Extension Office does not receive an image of both the front and back of each cancelled check.

Recommendation – The County Extension Office should obtain and retain images of both the front and back of cancelled checks as required by Chapter 554D.114 of the Code of Iowa.

Response – We will work with our credit union to receive images of cancelled checks each month.

Conclusion – Response accepted.

IV-P-15 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, 2015 for the County Extension Office did not exceed the amount budgeted.

Jasper County

Staff

This audit was performed by:

Marlys K. Gaston, CPA, Director
Selina V. Johnson, CPA, Senior Auditor II
Anthony M. Heibult, Staff Auditor
Jessica R. Frisch, Staff Auditor
Dan S. Nilsen, Staff Auditor
Nicole L. Roethlisberger, Staff Auditor
Colton L. Barton, Assistant Auditor
Cole L. Hocker, Assistant Auditor



Andrew E. Nielsen, CPA
Deputy Auditor of State