



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

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

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NEWS RELEASE

FOR RELEASE

June 20, 2019

Contact: Marlys Gaston
515/281-5834

Auditor of State Rob Sand today released an audit report on Greene County, Iowa.

The County had local tax revenue of \$22,615,085 for the year ended June 30, 2018, which included \$1,662,444 in tax credits from the state. The County forwarded \$17,176,352 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$5,438,733 of the local tax revenue to finance County operations, a 3.8% increase over the prior year. Other revenues included charges for service of \$1,926,841, operating grants, contributions and restricted interest of \$4,005,082, capital grants, contributions and restricted interest of \$1,479,677, local option sales and services tax of \$370,556, gaming tax of \$139,642, unrestricted investment earnings of \$31,408 and other general revenues of \$317,124.

Expenses for County operations for the year ended June 30, 2018 totaled \$12,589,192, a 4.4% increase over the prior year. Expenses included \$6,063,067 for roads and transportation, \$1,947,162 for administration and \$1,940,329 for public safety and legal services.

A copy of the audit report is available for review on the Auditor of State's web site at <https://auditor.iowa.gov/reports/audit-reports/>.

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GREENE COUNTY
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS
JUNE 30, 2018

Greene County



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Telephone (515) 281-5834 Facsimile (515) 281-6518

May 30, 2019

Officials of Greene County
Jefferson, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for Greene County for the year ended June 30, 2018. The audit was performed pursuant to Chapter 11.6 of the Code of Iowa and in accordance with U.S. auditing standards and the standards applicable to financial audits contained in Government Auditing Standards.

I appreciate the cooperation and courtesy extended by the officials and employees of Greene County throughout the audit. If I or this office can be of any further assistance, please contact me or Marlys Gaston of my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink that reads "Rob Sand". The signature is stylized and cursive.

Rob Sand
Auditor of State

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Greene County

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Thomas Contner	Board of Supervisors	Jan 2019
Dawn Rudolph	Board of Supervisors	Jan 2019
Mick Burkett	Board of Supervisors	Jan 2021
John Muir	Board of Supervisors	Jan 2021
Peter Bardole	Board of Supervisors	Jan 2021
Jane Heun	County Auditor	Jan 2021
Donna Lawson	County Treasurer	Jan 2019
Marcia Tasler	County Recorder	Jan 2019
Jack Williams	County Sheriff	Jan 2021
Nicola J. Martino	County Attorney	Jan 2019
Adam Smith	County Assessor	Jan 2022

Greene County



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Independent Auditor's Report

To the Officials of Greene 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 Greene County, Iowa, as of and for the year ended June 30, 2018, 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 Greene County as of June 30, 2018, and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of a Matter

As discussed in Note 15 to the financial statements, Greene County adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. 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 Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 9 through 16 and 54 through 63 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.

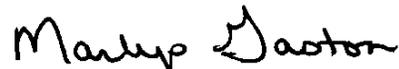
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Greene 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, 2017 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 30, 2019 on our consideration of Greene 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's 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 Greene County's internal control over financial reporting and compliance.


Marlys K. Gaston, CPA
Deputy Auditor of State

May 30, 2019

Greene County

MANAGEMENT'S DISCUSSION AND ANALYSIS

Greene County provides this Management's Discussion and Analysis of its annual financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2018. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2018 FINANCIAL HIGHLIGHTS

- The County implemented Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, during fiscal year 2018. The beginning net position for governmental activities was restated by \$23,066 to retroactively report the increase in the OPEB liability as of July 1, 2017. OPEB expense for fiscal year 2017 and deferred outflows of resources at June 30, 2017 were not restated because the information needed to restate those amounts was not available.
- Revenues of the County's governmental activities decreased 2.2%, or approximately \$313,000, from fiscal year 2017 to fiscal year 2018. Charges for services increased approximately \$133,000, capital grants, contributions and restricted interest decreased approximately \$470,000 and operating grants, contributions and restricted interest decreased 24.1%, or approximately \$370,000, from fiscal year 2017.
- Total program expenses of the County's governmental activities increased 4.4%, or approximately \$529,000. The largest program expense increases were in the areas of roads and transportation (approximately \$706,000, or 13.2%) and public safety and legal services (approximately \$306,000, or 18.7%). Non-program expenses decreased approximately \$492,000, or 36.0%, and county environment and education expenses decreased approximately \$86,000, or 10.3%.
- The County's net position increased 4.8%, or approximately \$1,120,000, over the restated June 30, 2017 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 Greene 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 Greene 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 Greene 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 Changes in the County's Total OPEB Liability, Related Ratios and Notes.

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

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information which helps answer this question. These statements include all assets, 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 three kinds of funds:

- 1) Governmental funds account for most of the County's basic services. These focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental funds include: 1) the General Fund and 2) the Special Revenue Funds, such as Mental Health, Rural Services and Secondary Roads. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily 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) A proprietary fund accounts for the County's Internal Service, Employee Group Health Fund. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions.

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

- 3) Fiduciary funds are used to report assets held in a trust or agency capacity for others which cannot be used to support the County's own programs. These fiduciary funds include Agency Funds that account for emergency management services, the County Assessor and all the property tax funds necessary to collect and distribute property tax to schools, cities, townships and all other taxing authorities. Greene County excludes these activities from the government-wide financial statements because these assets cannot be used to finance its operations. Fiduciary funds report a liability, due to other governments, and, therefore, no fund balance is reported.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

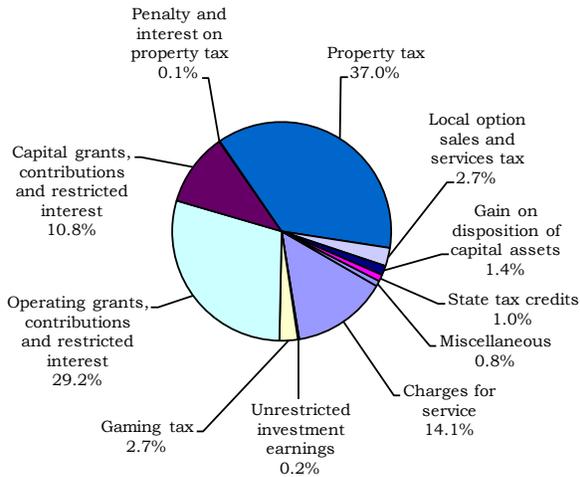
As noted earlier, net position may serve over time as a useful indicator of financial position. Prior to restatement, Greene County's combined net position increased over a year ago, increasing from approximately \$23.5 million to approximately \$24.5 million. The analysis below focuses on the changes in the County's net position of governmental activities.

Net Position of Governmental Activities (Expressed in Thousands)		
	June 30,	
	2018	2017 (Not Restated)
Current and other assets	\$ 12,541	12,514
Capital assets	20,345	19,098
Total assets	32,886	31,612
Deferred outflows of resources	1,000	874
Long-term liabilities	3,416	3,415
Other liabilities	482	416
Total liabilities	3,898	3,831
Deferred inflows of resources	5,437	5,201
Net position:		
Invested in capital assets	20,345	19,098
Restricted	4,781	4,810
Unrestricted	(575)	(454)
Total net position	\$ 24,551	23,454

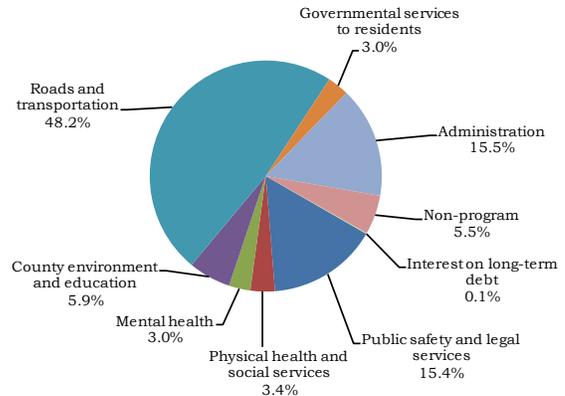
Prior to restatement, net position of Greene County's governmental activities increased approximately \$1,098,000, or 4.7%. The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment). Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased from a deficit of approximately \$454,000 at June 30, 2017 to a deficit of approximately \$575,000 at the end of this year, a decrease of 26.7%. The unrestricted net position deficit is due to reporting the net pension and total OPEB liabilities.

Changes in Net Position of Governmental Activities		
(Expressed in Thousands)		
	Year ended June 30,	
	2018	2017
	(Not Restated)	
Revenues:		
Program revenues:		
Charges for service	\$ 1,927	1,794
Operating grants, contributions and restricted interest	4,005	4,375
Capital grants, contributions and restricted interest	1,480	1,950
General revenues:		
Property tax	5,072	4,843
Penalty and interest on property tax	20	21
Gaming tax	140	140
Local option sales and services tax	370	401
State tax credits	367	395
Unrestricted investment earnings	31	14
Gain on disposition of capital assets	194	13
Miscellaneous	103	77
Total revenues	<u>13,709</u>	<u>14,023</u>
Program expenses:		
Public safety and legal services	1,940	1,634
Physical health and social services	424	398
Mental health	374	411
County environment and education	749	835
Roads and transportation	6,063	5,357
Governmental services to residents	381	372
Administration	1,947	1,959
Non-program	696	1,088
Interest on long-term debt	15	6
Total expenses	<u>12,589</u>	<u>12,060</u>
Change in net position	1,120	1,963
Net position beginning of year, as restated	<u>23,431</u>	<u>21,491</u>
Net position end of year	<u>\$ 24,551</u>	<u>23,454</u>

Revenues by Source



Expenses by Program



Overall, Greene County’s revenues for governmental activities decreased approximately \$313,000 from the prior year and expenses increased \$529,000. Capital grants, contributions and restricted interest decreased approximately \$470,000, primarily due to less Iowa Department of Transportation road network projects.

Greene County increased the property tax levied county-wide by \$122,240, or 3.5%, and increased the rural property tax levied by \$69,402, or 4.8%. Taxable valuation (without gas and electric utilities) for each and total dollars levied are as follows:

	For Taxes Levied By Fiscal Year	
	2018	2017
County-wide taxable valuation	\$ 647,356,511	622,416,323
Dollars levied county-wide	3,657,565	3,535,325
Rural taxable valuation	471,313,514	455,316,659
Dollars levied rural area only	1,508,203	1,438,801
Total dollars levied	5,165,768	4,974,126

County-wide property tax revenue is budgeted to increase approximately \$142,400 in fiscal year 2019 and rural services property tax revenue is budgeted to increase approximately \$71,200. The county-wide taxable valuation (without gas and electric utilities) increased in fiscal year 2019 to \$655,727,099, or approximately 1.3%.

INDIVIDUAL MAJOR FUND ANALYSIS

As Greene County completed the year, its governmental funds reported a combined fund balance of approximately \$6.7 million, an increase of approximately \$119,000 over last year’s total of approximately \$6.6 million. The following are reasons for the more significant changes in fund balances of the major funds from the prior year:

- General Fund revenues decreased approximately \$29,000 while expenditures increased approximately \$18,000. The ending fund balance increased approximately \$75,000 over the prior year to approximately \$2,152,000.

- Special Revenue, Mental Health Fund revenues decreased approximately \$12,000, or 4.0%, from the prior year. Expenditures totaled approximately \$372,000, a decrease of 8.9% from the prior year. The Special Revenue, Mental Health Fund ending fund balance decreased approximately \$84,000 from the prior year ending fund balance to \$410,444. The decrease in expenditures was primarily due to less disbursements to the Heart of Iowa Community Services fiscal agent for the County's share of services and other costs.
- The Special Revenue, Rural Services Fund balance decreased approximately \$25,000. Revenues increased approximately \$67,000 while expenditure decreased approximately \$28,000.
- Special Revenue, Secondary Roads Fund revenues and expenditures increased approximately \$245,000, or 6.2%, and \$896,000, or 18.8%, respectively. The ending fund balance increased approximately \$216,000, or 8.0%, over the prior year. The increase in revenues and expenditures is primarily due to the sale of the old armory property that was used by the secondary roads department and increased expenditures for road maintenance, equipment purchases and equipment operations.

BUDGETARY HIGHLIGHTS

Over the course of the year, Greene County amended its budget three times. The first amendment was made in November 2017 and increased budgeted receipts by \$200,275 and budgeted disbursements by \$247,322. The amendment included a \$149,600 increase in miscellaneous receipts which was primarily for Bell Tower Foundation funds and Fair Association flow through funds. Public safety and legal services budgeted disbursements increased \$56,842 primarily for the planned purchase of a drone and tasers for the sheriff's office, jail and inmate related disbursements, attorney recovery fees and mileage. County environment and education budgeted disbursements increased \$23,000 for Region XII revolving loan fund contributions, roads and transportation budgeted disbursements increased \$549,000 for road maintenance, administration budgeted disbursements increased \$67,480 for Bell Tower improvements and maintenance, nonprogram current budgeted disbursements increased \$85,000 for Fair Association flow through funding and capital projects budgeted disbursements decreased a net \$534,000, mostly from road construction to offset an increase in roads maintenance costs.

The second amendment was made in March 2018 and resulted in an increase in budgeted receipts of \$85,000 and an increase in budgeted disbursements of \$160,000. The amendment included an \$85,000 increase for licenses and permits receipts for wind turbine permits. Public safety and legal services budgeted disbursements were increased \$20,000 for ambulance repairs and budgeted administration disbursements increased \$140,000, primarily for health insurance, records preservation and legal expenses.

The third amendment was made in May 2018 decreasing budgeted receipts by \$13,250 while increasing budgeted disbursements by \$49,500. The amendment included a \$20,000 decrease to other county tax receipts due to reduced local option sales taxes collected. Public safety and legal services budgeted disbursements were increased \$44,500 for sheriff department in-car & body cameras, higher than expected inmate and jail costs and county attorney recovery fees, physical health and social services budgeted disbursements were decreased \$5,000 due to a reduction in shelter care disbursements, mental health budgeted disbursements were increased \$5,000 for additional payments to the region and government services to residents budgeted disbursements increased \$5,000 for poll worker expenses.

During the year, the following situations/actions impacted the County's budget:

- County-wide taxable valuation rose approximately \$25 million or 4% over the prior year's taxable value. Rural taxable valuation rose approximately \$16 million or 3.5% over the prior year's taxable value.
- Local option sales tax disbursed included transfers totaling \$300,000 for Secondary Roads and \$5,000 for bike trail improvements.

The County's cash basis receipts were \$135,239 less than the amended budget, a variance of 1.2%.

Total cash basis disbursements were \$575,411 less than the amended budget, a variance of 4.7%. The largest variance occurred within the capital projects function where disbursements were approximately \$161,000 less than budgeted due, in part, to a trailhead development project for the bike trail that was not completed, but rather, extended into the next fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2018, Greene County had approximately \$20.3 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This is a net increase (including additions and deletions) of approximately \$1,246,000, or 6.5%, over last year.

Capital Assets of Governmental Activities at Year End (Expressed in Thousands)		
	June 30,	
	2018	2017
Land	\$ 1,979	1,979
Construction in progress	27	1,658
Buildings	1,728	1,737
Equipment and vehicles	3,552	3,274
Infrastructure	13,059	10,450
Total	<u>\$ 20,345</u>	<u>19,098</u>
This year's major additions included:		
Capital assets contributed by the Iowa Department of Transportation	\$ 1,479	
Sheriff vehicles		151
Secondary roads trucks, shop and equipment		<u>713</u>
Total		<u>\$ 2,343</u>

The County had depreciation expense of \$1,106,795 in fiscal year 2018 and total accumulated depreciation of \$16,999,908 at June 30, 2018. More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

At June 30, 2018, Greene County had \$85,780 of outstanding drainage warrants payable compared to \$286,684 at June 30, 2017, as shown below.

Outstanding Debt of Governmental Activities at Year End		
	June 30,	
	2018	2017
Drainage warrants	\$ 85,780	286,684

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

Greene County’s elected and appointed officials carefully considered many factors when setting the fiscal year 2019 budget, tax rates and fees charged for various County activities. County-wide taxable valuations rose approximately 1.3% and rural taxable valuations remained about the same as the previous year’s valuations. The County raised the general supplemental, mental health and rural services basic levies by \$0.10585, \$0.03915 and \$0.15 per \$1,000 of taxable valuation, respectively.

CONTACTING THE COUNTY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Greene 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 Greene County Auditor’s Office, 114 N. Chestnut, Jefferson, Iowa 50129-2144.

Basic Financial Statements

Greene County
Statement of Net Position
June 30, 2018

	Governmental Activities
Assets	
Cash, cash equivalents and pooled investments	\$ 4,693,756
Receivables:	
Property tax:	
Delinquent	369
Succeeding year	5,258,000
Interest and penalty on property tax	13,598
Accounts	277,901
Accrued interest	2,138
Drainage assessments	85,780
Due from other governments	389,634
Inventories	1,819,896
Capital assets, net of accumulated depreciation	20,344,626
Total assets	32,885,698
Deferred Outflows of Resources	
Pension related deferred outflows	951,940
OPEB related deferred outflows	47,698
Total deferred outflows of resources	999,638
Liabilities	
Current liabilities:	
Accounts payable	461,841
Salaries and benefits payable	7,047
Due to other governments	12,639
Long-term liabilities:	
Portion due or payable within one year:	
Compensated absences	259,542
Portion due or payable after one year:	
Drainage warrants	85,780
Compensated absences	58,635
Net pension liability	2,761,073
Total OPEB liability	251,040
Total liabilities	3,897,597
Deferred Inflows of Resources	
Unavailable property tax revenue	5,258,000
Pension related deferred inflows	179,057
Total deferred inflows of resources	5,437,057
Net Position	
Net investment in capital assets	20,344,626
Restricted for:	
Supplemental levy purposes	413,858
Mental health	410,327
Rural services	376,898
Secondary roads	2,760,789
Drainage improvements	415,005
Other purposes	404,568
Unrestricted	(575,389)
Total net position	\$ 24,550,682

See notes to financial statements.

Greene County
Statement of Activities
Year ended June 30, 2018

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
Functions/Programs:					
Governmental activities:					
Public safety and legal services	\$ 1,940,329	211,636	1,995	-	(1,726,698)
Physical health and social services	423,652	105,150	128,192	-	(190,310)
Mental health	373,867	-	112,928	-	(260,939)
County environment and education	748,735	212,160	25,945	775	(509,855)
Roads and transportation	6,063,067	732,394	3,457,542	1,478,902	(394,229)
Governmental services to residents	381,430	255,566	-	-	(125,864)
Administration	1,947,162	18,282	-	-	(1,928,880)
Non-program	695,727	391,653	278,480	-	(25,594)
Interest on long-term debt	15,223	-	-	-	(15,223)
Total	\$ 12,589,192	1,926,841	4,005,082	1,479,677	(5,177,592)
General Revenues:					
Property and other county tax levied for general purposes					5,072,230
Penalty and interest on property tax					20,266
Local option sales and services tax					370,556
State tax credits					366,503
Gaming tax					139,642
Unrestricted investment earnings					31,408
Gain on disposition of capital assets					193,617
Miscellaneous					103,241
Total general revenues					6,297,463
Change in net position					1,119,871
Net position beginning of year, as restated					23,430,811
Net position end of year					\$ 24,550,682

See notes to financial statements.

Greene County
Balance Sheet
Governmental Funds

June 30, 2018

	Special Revenue		
	General	Mental Health	Rural Services
Assets			
Cash, cash equivalents and pooled investments	\$ 2,242,359	385,506	381,204
Receivables:			
Property tax:			
Delinquent	331	16	22
Succeeding year	3,509,000	188,000	1,561,000
Interest and penalty on property tax	13,598	-	-
Accounts	310	-	-
Accrued interest	2,131	-	-
Drainage assessments	-	-	-
Due from other funds	-	-	-
Due from other governments	20,286	25,925	15,395
Inventories	-	-	-
Total assets	\$ 5,788,015	599,447	1,957,621
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 95,960	309	293
Salaries and benefits payable	4,714	680	470
Due to other funds	675	-	772
Due to other governments	11,901	-	-
Total liabilities	113,250	989	1,535
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	3,509,000	188,000	1,561,000
Other	13,866	14	22
Total deferred inflows of resources	3,522,866	188,014	1,561,022
Fund balances:			
Nonspendable			
Inventories	-	-	-
Restricted for:			
Supplemental levy purposes	422,816	-	-
Mental health	-	410,444	-
Rural services	-	-	395,064
Secondary roads	-	-	-
Drainage warrants	-	-	-
Other purposes	-	-	-
Assigned for capital improvement projects	506,970	-	-
Assigned for election equipment	75,000	-	-
Assigned for attorney recovery fees	2,373	-	-
Assigned for conservation reserve	5,111	-	-
Unassigned	1,139,629	-	-
Total fund balances	2,151,899	410,444	395,064
Total liabilities, deferred inflows of resources and fund balances	\$ 5,788,015	599,447	1,957,621

See notes to financial statements.

Secondary Roads	Nonmajor	Total
793,063	810,361	4,612,493
-	-	369
-	-	5,258,000
-	-	13,598
277,591	-	277,901
5	2	2,138
-	85,780	85,780
1,447	-	1,447
296,282	31,746	389,634
1,819,896	-	1,819,896
3,188,284	927,889	12,461,256
227,293	22,536	346,391
1,183	-	7,047
-	-	1,447
738	-	12,639
229,214	22,536	367,524
-	-	5,258,000
37,857	85,780	137,539
37,857	85,780	5,395,539
1,819,896	-	1,819,896
-	-	422,816
-	-	410,444
-	-	395,064
1,101,317	-	1,101,317
-	415,005	415,005
-	404,568	404,568
-	-	506,970
-	-	75,000
-	-	2,373
-	-	5,111
-	-	1,139,629
2,921,213	819,573	6,698,193
3,188,284	927,889	12,461,256

Greene County

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

June 30, 2018

Total governmental fund balances (page 21) \$ 6,698,193

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 \$37,344,534 and the accumulated depreciation is \$16,999,908. 20,344,626

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. 137,539

The Internal Service Fund is used by management to charge the costs of health insurance to individual departments and funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position. (34,187)

Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:

Deferred outflows of resources	\$ 999,638	
Deferred inflows of resources	<u>(179,057)</u>	820,581

Long-term liabilities, including the drainage warrants payable, compensated absences payable, net pension liability and total OPEB liability are not due and payable, in the current year and, therefore, are not reported in the governmental funds. (3,416,070)

Net position of governmental activities (page 18) **\$ 24,550,682**

See notes to financial statements.

Greene County

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

Year ended June 30, 2018

	Special Revenue		
	General	Mental Health	Rural Services
Revenues:			
Property and other county tax	\$ 3,550,342	161,951	1,500,133
Local option sales and services tax	-	-	-
Interest and penalty on property tax	19,636	-	-
Intergovernmental	404,344	125,877	188,634
Licenses and permits	6,050	-	-
Charges for service	611,609	-	3,041
Use of money and property	57,118	-	-
Miscellaneous	362,145	-	-
Total revenues	<u>5,011,244</u>	<u>287,828</u>	<u>1,691,808</u>
Expenditures:			
Operating:			
Public safety and legal services	1,412,548	-	450,430
Physical health and social services	421,169	-	-
Mental health	-	371,950	-
County environment and education	508,938	-	161,264
Roads and transportation	-	-	-
Governmental services to residents	373,299	-	-
Administration	1,823,791	-	-
Non-program	231,000	-	-
Debt service	-	-	-
Capital projects	105,574	-	-
Total expenditures	<u>4,876,319</u>	<u>371,950</u>	<u>611,694</u>
Excess (deficiency) of revenues over (under) expenditures	<u>134,925</u>	<u>(84,122)</u>	<u>1,080,114</u>
Other financing sources (uses):			
Sale of capital assets	-	-	-
Drainage warrants issued	-	-	-
Transfers in	5,000	-	-
Transfers out	(65,000)	-	(1,105,000)
Total other financing sources (uses)	<u>(60,000)</u>	<u>-</u>	<u>(1,105,000)</u>
Change in fund balances	74,925	(84,122)	(24,886)
Fund balances beginning of year	<u>2,076,974</u>	<u>494,566</u>	<u>419,950</u>
Fund balances end of year	<u>\$ 2,151,899</u>	<u>410,444</u>	<u>395,064</u>

See notes to financial statements.

Secondary Roads	Nonmajor	Total
-	-	5,212,426
-	370,556	370,556
-	-	19,636
3,457,542	9,535	4,185,932
79,474	-	85,524
-	2,554	617,204
25,769	28	82,915
615,063	394,504	1,371,712
4,177,848	777,177	11,945,905
-	117,172	1,980,150
-	-	421,169
-	-	371,950
-	7,300	677,502
5,673,318	-	5,673,318
-	-	373,299
-	5,000	1,828,791
-	56,483	287,483
-	289,906	289,906
-	147,580	253,154
5,673,318	623,441	12,156,722
(1,495,470)	153,736	(210,817)
256,103	-	256,103
-	73,779	73,779
1,455,000	15,000	1,475,000
-	(305,000)	(1,475,000)
1,711,103	(216,221)	329,882
215,633	(62,485)	119,065
2,705,580	882,058	6,579,128
2,921,213	819,573	6,698,193

Greene County

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

Year ended June 30, 2018

Change in fund balances - Total governmental funds (page 25) \$ 119,065

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

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

Expenditures for capital assets	\$ 680,381	
Capital assets contributed by the Iowa Department of Transportation	1,478,902	
Depreciation expense	<u>(1,106,795)</u>	1,052,488

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

193,617

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	(554)	
Other	<u>(162,415)</u>	(162,969)

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year repayments exceeded issuances, as follows:

Issued	(73,779)	
Repaid	<u>274,683</u>	200,904

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.

340,705

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	(30,560)	
Pension expense	(395,122)	
OPEB expense	<u>(17,476)</u>	(443,158)

The Internal Service Fund is used by management to charge the costs of health insurance to individual departments and funds. The change in net position of the Internal Service Fund is reported with governmental activities.

(180,781)

Change in net position of governmental activities (page 19) \$ 1,119,871

See notes to financial statements.

Greene County
Statement of Net Position (Deficit)
Proprietary Fund
June 30, 2018

	<u>Internal Service – Employee Group Health</u>
Current Assets	
Cash and cash equivalents	\$ 81,263
Current Liabilities	
Accounts payable	<u>115,450</u>
Net Position (Deficit)	
Unrestricted	<u>\$ (34,187)</u>

See notes to financial statements.

Greene County
Statement of Revenues, Expenses
and Changes in Fund Net Position (Deficit)
Proprietary Fund

Year ended June 30, 2018

		<u>Internal Service – Employee Group Health</u>
Operating revenues:		
Reimbursements from operating funds and other governmental units		\$ 1,306,781
Reimbursements from employees and others		202,055
Insurance reimbursements		<u>12,488</u>
Total operating revenues		1,521,324
Operating expenses:		
Medical claims	\$ 1,037,664	
Insurance premiums	452,234	
Administrative and other fees	36,392	
Prescription charges	<u>175,815</u>	<u>1,702,105</u>
Total operating loss		(180,781)
Net position beginning of year		<u>146,594</u>
Net position (deficit) end of year		<u><u>\$ (34,187)</u></u>

See notes to financial statements.

Greene County

Statement of Cash Flows
Proprietary Fund

Year ended June 30, 2018

	Internal Service – Employee Group Health
Cash flows from operating activities:	
Cash received from operating funds and other reimbursements	\$ 1,508,836
Cash received from insurance reimbursements	57,742
Cash paid to suppliers for services	(1,852,352)
Net cash used by operating activities	(285,774)
Cash and cash equivalents beginning of year	367,037
Cash and cash equivalents end of year	\$ 81,263
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (180,781)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Decrease in accounts receivable	45,255
Decrease in accounts payable	(150,248)
Net cash used by operating activities	\$ (285,774)

See notes to financial statements.

Greene County
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2018

Assets

Cash, cash equivalents and pooled investments:	
County Treasurer	\$ 631,213
Other County officials	240,398
Receivables:	
Property tax:	
Delinquent	1,849
Succeeding year	15,878,000
Accounts	21,216
Special assessments	20,504
	<u>16,793,180</u>

Total assets

Liabilities

Accounts Payable	28
Due to other governments	16,735,474
Trusts payable	53,903
Compensated absences	3,775
	<u>16,793,180</u>

Total liabilities

Net position	<u><u>\$ -</u></u>
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See notes to financial statements.

Greene County

Notes to Financial Statements

June 30, 2018

(1) Summary of Significant Accounting Policies

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

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

Certain drainage districts have been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although these districts are legally separate from the County, they are controlled, managed and supervised by the Greene County Board of Supervisors. The drainage districts are reported as a Special Revenue Fund. The County has other drainage districts which are managed and supervised by elected trustees. The financial transactions of these districts are reported as an Agency Fund. Financial information for the individual drainage districts can be obtained from the Greene 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: Greene County Assessor’s Conference Board, County Emergency Management Commission and Greene County 911 Service Board. Financial transactions of these organizations are included in the County’s financial statements only to the extent of the County’s fiduciary relationship with the organization and, as such, are reported in the Agency Funds of the County.

The County also participates in the Central Iowa Juvenile Detention Center, Region V Hazardous Materials Response Commission and Region XII Council of Governments, jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa. In addition, the County participates in the following jointly governed organizations: Second Judicial District Department of Correctional Services and Greene County Development Corporation.

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.

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, the proprietary fund and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the proprietary fund are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor 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 designated to be used to fund mental health, intellectual disabilities and developmental disabilities services.

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

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

Additionally, the County reports the following funds:

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

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

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

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under 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 positions available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general revenues.

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

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

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position

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

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

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

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 reported as a deferred inflow of resources 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, 2016 assessed property valuations; is for the tax accrual period July 1, 2017 through June 30, 2018 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2017.

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

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

Special Assessments Receivable – Special assessments receivable represent amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in no more than 15 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 had not been paid or received as of June 30, 2018, 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, furniture and equipment and intangibles acquired after July 1, 1980 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 acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Infrastructure	\$ 50,000
Intangibles	50,000
Land, buildings and improvements	25,000
Equipment and vehicles	5,000

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

Asset Class	Estimated Useful Lives (In Years)
Buildings and improvements	25 - 50
Infrastructure	10 - 65
Equipment	2 - 20
Vehicles	5 - 15
Intangibles	5 - 20

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB 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, compensatory time and sick leave hours for subsequent use or for payment upon termination, death or retirement. Upon retirement, an employee is paid \$10 per day for up to 90 days of accumulated sick leave. 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, 2018. 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 governmental activities 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. The net pension liability attributable to the governmental activities will be paid primarily by the General Fund, the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

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

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

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

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

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

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

Assigned – Amounts the County intends to use for specific purposes as determined by the County Auditor.

Unassigned – All amounts not included in the preceding classifications.

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

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

(2) Cash, Cash Equivalents and Pooled Investments

The County's deposits in banks at June 30, 2018 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 investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of \$11,103 pursuant to Rule 2a-7 under the Investment Company Act of 1940. There were no limitations or restrictions on withdrawals for the IPAIT investments. The County's investment in the IPAIT is unrated.

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

(3) Due From and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2018 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Special Revenue: Secondary Roads	General	\$ 675
	Special Revenue: Rural Services	<u>772</u>
		<u>\$ 1,447</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.

(4) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2018 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General	Special Revenue: Local Option Sales Tax	<u>\$ 5,000</u>
Special Revenue: Secondary Roads	General	50,000
	Special Revenue: Rural Services	1,105,000
	Local Option Sales Tax	<u>300,000</u>
		<u>1,455,000</u>
Special Revenue: REAP	General	<u>15,000</u>
Total		<u>\$ 1,475,000</u>

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

(5) Capital Assets

Capital assets activity for the year ended June 30, 2018 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,979,012	-	-	1,979,012
Construction in progress	1,657,761	1,505,393	(3,136,663)	26,491
Total capital assets not being depreciated	3,636,773	1,505,393	(3,136,663)	2,005,503
Capital assets being depreciated:				
Buildings	3,099,651	171,699	(176,000)	3,095,350
Equipment and vehicles	9,834,067	822,294	(210,903)	10,445,458
Infrastructure, other	146,051	-	-	146,051
Infrastructure, road network	18,515,509	3,136,663	-	21,652,172
Total capital assets being depreciated	31,595,278	4,130,656	(386,903)	35,339,031
Less accumulated depreciation for:				
Buildings	1,362,264	57,768	(53,000)	1,367,032
Equipment and vehicles	6,559,877	521,314	(187,417)	6,893,774
Infrastructure, other	4,868	4,868	-	9,736
Infrastructure, road network	8,206,521	522,845	-	8,729,366
Total accumulated depreciation	16,133,530	1,106,795	(240,417)	16,999,908
Total capital assets being depreciated, net	15,461,748	3,023,861	(146,486)	18,339,123
Governmental activities capital assets, net	\$ 19,098,521	4,529,254	(3,283,149)	20,344,626

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 105,237
County environment and education	38,536
Roads and transportation	935,578
Governmental services to residents	800
Administration	26,644
Total depreciation expense - governmental activities	<u>\$ 1,106,795</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, 2018 is as follows:

Fund	Description	Amount
General	Services	\$ 11,901
Special Revenue:		
Secondary Roads	Services	738
Total for governmental funds		<u>\$ 12,639</u>
Agency:		
County Assessor	Collections	\$ 543,160
Schools		9,115,419
Community Colleges		827,501
Corporations		3,260,537
Auto License and Use Tax		270,774
County Hospital		1,963,759
All other		<u>754,324</u>
Total for agency funds		<u>\$ 16,735,474</u>

(7) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2018 is as follows:

	Drainage Warrants	Compensated Absences	Net Pension Liability	Total OPEB Liability	Total
Balance beginning of year, as restated	\$ 286,684	287,617	2,678,270	185,866	3,438,437
Increases	73,779	341,902	82,803	79,010	577,494
Decreases	<u>274,683</u>	<u>311,342</u>	<u>-</u>	<u>13,836</u>	<u>599,861</u>
Balance end of year	<u>\$ 85,780</u>	<u>318,177</u>	<u>2,761,073</u>	<u>251,040</u>	<u>3,416,070</u>
Due within one year	<u>\$ -</u>	<u>259,542</u>	<u>-</u>	<u>-</u>	<u>259,542</u>

Drainage Warrants

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

Drainage warrants are paid from the Special Revenue, Drainage Districts Fund solely from drainage assessments against benefited properties and grant money for emergency repairs.

(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 PO Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

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

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

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

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

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for more than 22 years of service 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 – 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 2018, pursuant to the required rate, Regular members contributed 5.95% of covered payroll and the County contributed 8.93% of covered payroll, for a total rate of 14.88%. The Sheriff, deputies and the County each contributed 9.38% of covered payroll, for a total rate of 18.76%. Protection occupation members contributed 6.56% of covered payroll and the County contributed 9.84%, for a total rate of 16.40%.

The County’s contributions to IPERS for the year ended June 30, 2018 totaled \$340,705.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2018, the County reported a liability of \$2,761,073 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 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, 2017, the County’s proportion was 0.041449%, which was a decrease of 0.001108% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$395,122. At June 30, 2018, 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	\$ 34,466	36,888
Changes of assumptions	576,654	4,770
Net difference between projected and actual earnings on pension plan investments	-	36,702
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	115	100,697
County contributions subsequent to the measurement date	340,705	-
Total	<u>\$ 951,940</u>	<u>179,057</u>

\$340,705 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, 2019. 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
2019	\$ 34,460
2020	229,271
2021	131,835
2022	21
2023	36,591
Total	<u>\$ 432,178</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2017)	2.60% per annum.
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience study dated March 24, 2017.

Mortality rates were based on the RPH-2017 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:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	24.0%	6.25%
International equity	16.0	6.71
Core plus fixed income	27.0	2.25
Public credit	3.5	3.46
Public real assets	7.0	3.27
Cash	1.0	(0.31)
Private equity	11.0	11.15
Private real assets	7.5	4.18
Private credit	3.0	4.25
Total	100.0%	

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the County will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments 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 Liability to Changes in the Discount Rate – The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$4,964,123	2,761,073	911,632

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, 2018.

(9) Other Postemployment Benefits (OPEB)

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

OPEB Benefits – Individuals who are employed by Greene County and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical, prescription drug and dental benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1
Active employees	<u>78</u>
Total	<u><u>79</u></u>

Total OPEB Liability – The County’s total OPEB liability of \$251,040 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2018)	2.60% per annum.
Rates of salary increase (effective June 30, 2018)	3.25% per annum, including inflation.
Discount rate (effective June 30, 2018)	3.87% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2018)	9.00% initial rate decreasing by .5% annually to an ultimate rate of 5.00%.

Discount Rate – The discount rate used to measure the total OPEB liability was 3.87% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the SOA RPH-2017 total dataset mortality table fully generational using Scale MP-2017. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year, as restated	\$ 185,866
Changes for the year:	
Service cost	14,832
Interest	6,940
Differences between expected and actual experiences	55,729
Changes in assumptions	1,509
Benefit payments	<u>(13,836)</u>
Net changes	<u>65,174</u>
Total OPEB liability end of year	<u>\$ 251,040</u>

Changes of assumptions reflect a change in the discount rate from 3.58% in fiscal year 2017 to 3.87% in fiscal year 2018.

Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.87%) or 1% higher (4.87%) than the current discount rate.

	<u>1% Decrease (2.87%)</u>	<u>Discount Rate (3.87%)</u>	<u>1% Increase (4.87%)</u>
Total OPEB liability	\$ 264,519	251,040	237,807

Sensitivity of the County's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (8.00%) or 1% higher (10.00%) than the current healthcare cost trend rates.

	<u>1% Decrease (8.00%)</u>	<u>Healthcare Cost Trend Rate (9.00%)</u>	<u>1% Increase (10.00%)</u>
Total OPEB liability	\$ 225,956	251,040	280,313

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2018, the County recognized OPEB expense of \$17,476. At June 30, 2018, the County reported deferred outflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 46,441
Changes in assumptions	1,257
Total	<u>\$ 47,698</u>

The amount reported as deferred outflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year ending June 30,	Amount
2019	\$ 9,540
2020	9,540
2021	9,540
2022	9,540
2023	9,538
	<u>\$ 47,698</u>

(10) Risk Management

The County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 775 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials' liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

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

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

The County's property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The County's contributions to the Pool for the year ended June 30, 2018 were \$153,752.

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 \$500,000 per claim. Claims exceeding \$500,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location. Property risks exceeding \$250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate.

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

The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2018, no liability has been recorded in the County's financial statements. As of June 30, 2018, settled claims have not exceeded the 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 \$100,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(11) Employee Health Insurance Plan

The Internal Service, Employee Group Health Fund was established January 1, 2010 to account for the partial self-funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Cypress Benefit Administrators (LHS), LLC. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of \$40,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to the County's Administrator from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2018 was \$1,306,781.

Amounts payable from the Employee Group Health Fund at June 30, 2018 total \$115,450, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior year and current year claims and to establish a reserve for catastrophic losses. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid claims beginning of year	\$ 265,698
Incurred claims (including claims incurred but not reported at June 30, 2017)	1,213,479
Payments on claims during the year	<u>(1,363,727)</u>
Unpaid claims end of year	<u>\$ 115,450</u>

(12) Tax Abatements

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

Tax Abatements of Other Entities

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2018 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Jefferson	Urban renewal and economic development projects	\$ 32,163

(13) County Financial Information Included in the Heart of Iowa Community Services

Heart of Iowa Community Services, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa, includes the following member counties: Audubon County, Dallas County, Guthrie County and Greene County. The financial activity of the County's Special Revenue, Mental Health Fund is included in the Heart of Iowa Community Services for the year ended June 30, 2018, as follows:

Revenues:		
Property and other county tax		\$ 161,951
Intergovernmental:		
State tax credits	\$ 12,949	
Payments from regional fiscal agent	105,028	
Other	7,900	<u>125,877</u>
Total revenues		<u>287,828</u>
Expenditures:		
Services to persons with:		
Mental illness		16,377
General administration:		
Direct administration	93,032	
Distribution to regional fiscal agent	<u>262,541</u>	<u>355,573</u>
Total expenditures		<u>371,950</u>
Excess of expenditures over revenues		(84,122)
Fund balance beginning of year		<u>494,566</u>
Fund balance end of year		<u>\$ 410,444</u>

(14) Deficit Fund Balance

The Internal Service, Employee Group Health Fund reported an unrestricted net (deficit) of \$34,187 at June 30, 2018. The County plans to address the deficit with changes to employee plan options and plan administration.

(15) Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB), was implemented during fiscal year 2018. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with OPEB benefits, including additional note disclosure and required supplementary information. In addition, GASB Statement No. 75 requires a state or local government employer to use the entry age normal actuarial cost method, and requires deferred outflows of resources and deferred inflows of resources which arise from other types of events related to OPEB to be recognized. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources are not reported. Beginning net position for governmental activities was restated to retroactively report the change in valuation of the beginning total OPEB liability, as follows:

	<u>Governmental Activities</u>
Net position June 30, 2017, as previously reported	\$ 23,453,877
Net OPEB obligation measured under previous standards	162,800
Total OPEB liability at June 30, 2017	<u>(185,866)</u>
Net position July 1, 2017, as restated	<u>\$ 23,430,811</u>

Required Supplementary Information

Greene 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, 2018

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	\$ 5,580,539	-	5,580,539
Interest and penalty on property tax	19,601	-	19,601
Intergovernmental	4,280,924	-	4,280,924
Licenses and permits	85,989	-	85,989
Charges for service	617,154	-	617,154
Use of money and property	81,805	-	81,805
Miscellaneous	1,092,686	338,947	753,739
Total receipts	<u>11,758,698</u>	<u>338,947</u>	<u>11,419,751</u>
Disbursements:			
Public safety and legal services	1,997,750	-	1,997,750
Physical health and social services	421,643	-	421,643
Mental health	371,161	-	371,161
County environment and education	676,075	-	676,075
Roads and transportation	5,723,756	-	5,723,756
Governmental services to residents	374,158	-	374,158
Administration	1,843,060	-	1,843,060
Non-program	287,483	-	287,483
Debt service	15,222	15,222	-
Capital projects	182,678	102,408	80,270
Total disbursements	<u>11,892,986</u>	<u>117,630</u>	<u>11,775,356</u>
Excess (deficiency) of receipts over (under) disbursements	(134,288)	221,317	(355,605)
Other financing sources, net	55,199	(200,904)	256,103
Excess (deficiency) of receipts over (under) disbursements and other financing uses	(79,089)	20,413	(99,502)
Balance beginning of year	<u>4,691,582</u>	<u>417,098</u>	<u>4,274,484</u>
Balance end of year	<u>\$ 4,612,493</u>	<u>437,511</u>	<u>4,174,982</u>

See accompanying independent auditor's report.

Budgeted Amounts		Final to Net Variance
Original	Final	
5,579,625	5,564,025	16,514
20,000	20,000	(399)
4,499,760	4,488,785	(207,861)
71,650	156,650	(70,661)
424,875	446,875	170,279
56,291	71,541	10,264
630,764	807,114	(53,375)
<u>11,282,965</u>	<u>11,554,990</u>	<u>(135,239)</u>
1,946,626	2,067,968	70,218
523,425	518,425	96,782
379,399	384,399	13,238
681,166	704,166	28,091
5,227,239	5,776,239	52,483
378,633	383,633	9,475
1,722,171	1,929,651	86,591
260,000	345,000	57,517
-	-	-
775,286	241,286	161,016
<u>11,893,945</u>	<u>12,350,767</u>	<u>575,411</u>
(610,980)	(795,777)	440,172
250,000	250,000	6,103
(360,980)	(545,777)	446,275
<u>3,838,663</u>	<u>4,252,808</u>	<u>21,676</u>
<u>3,477,683</u>	<u>3,707,031</u>	<u>467,951</u>

Greene County

Greene County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2018

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 11,758,698	187,207	11,945,905
Expenditures	11,892,986	263,736	12,156,722
Net	(134,288)	(76,529)	(210,817)
Other financing sources (uses), net	55,199	274,683	329,882
Beginning fund balances	4,691,582	1,887,546	6,579,128
Ending fund balances	\$ 4,612,493	2,085,700	6,698,193

See accompanying independent auditor's report.

Greene County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2018

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

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund and the Special Revenue Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, three budget amendments increased budgeted disbursements by \$456,822. 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 911 System by the Joint 911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2018, disbursements did not exceed the amounts budgeted.

Greene County

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

Iowa Public Employees' Retirement System
For the Last Four Years*
(In Thousands)

Required Supplementary Information

	2018	2017	2016	2015
County's proportion of the net pension liability	0.041449%	0.042557%	0.041815%	0.040909%
County's proportionate share of the net pension liability	\$ 2,761	2,678	2,066	1,622
County's covered payroll	\$ 3,659	3,594	3,454	3,377
County's proportionate share of the net pension liability as a percentage of its covered payroll	75.46%	74.51%	59.81%	48.03%
IPERS' net position as a percentage of the total pension liability	82.21%	81.82%	87.61%	87.61%

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

See accompanying independent auditor's report.

Greene County

Schedule of County Contributions

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

Required Supplementary Information

	2018	2017	2016	2015
Statutorily required contribution	\$ 341	332	327	315
Contributions in relation to the statutorily required contribution	<u>(341)</u>	<u>(332)</u>	<u>(327)</u>	<u>(315)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 3,757	3,659	3,594	3,454
Contributions as a percentage of covered payroll	9.08%	9.07%	9.10%	9.12%
See accompanying independent auditor's report.				

2014	2013	2012	2011	2010	2009
308	297	269	238	217	194
(308)	(297)	(269)	(238)	(217)	(194)
-	-	-	-	-	-
3,377	3,325	3,209	3,220	3,127	2,922
9.12%	8.93%	8.38%	7.39%	6.94%	6.64%

Greene County

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2018

Changes of benefit terms:

Legislation enacted in 2010 modified benefit terms for 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.

Changes of assumptions:

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

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

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

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

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.

Greene County

Schedule of Changes in the County's
Total OPEB Liability, Related Ratios and Notes

For the Current Year
Required Supplementary Information

	<u>2018</u>
Service cost	\$ 14,832
Interest cost	6,940
Difference between expected and actual experiences	55,729
Changes in assumptions	1,509
Benefit payments	<u>(13,836)</u>
Net change in total OPEB liability	<u>65,174</u>
Total OPEB liability beginning of year, as restated	<u>185,866</u>
Total OPEB liability end of year	<u>\$ 251,040</u>
Covered-employee payroll	\$ 3,599,017
Total OPEB liability as a percentage of covered-employee payroll	7.0%

Notes to Schedule of Changes in the County's Total OPEB Liability and Related Ratios

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

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

Year ended June 30, 2018	3.87%
Year ended June 30, 2017	3.58%

Greene County

Supplementary Information

Greene County
 Combining Balance Sheet
 Nonmajor Governmental Funds

June 30, 2018

	Special		
	County		
	Recorder's		
	Records		
	Management	REAP	Forfeiture
Assets			
Cash, cash equivalents and pooled investments	\$ 10,011	5,859	16,080
Receivables:			
Accrued interest	1	1	-
Drainage assessments	-	-	-
Due from other governments	-	-	-
	\$ 10,012	5,860	16,080
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ -	-	30
Deferred inflows of resources:			
Unavailable revenues:			
Other	-	-	-
Fund balances:			
Restricted for:			
Drainage warrants	-	-	-
Other purposes	10,012	5,860	16,050
Total fund balances	10,012	5,860	16,050
	\$ 10,012	5,860	16,080

See accompanying independent auditor's report.

Revenue				
Drainage Districts	Local Option Sales Tax	K-9	Ethanol Plant Agreement	Total
437,511	263,288	5,952	71,660	810,361
-	-	-	-	2
85,780	-	-	-	85,780
-	31,746	-	-	31,746
523,291	295,034	5,952	71,660	927,889
22,506	-	-	-	22,536
85,780	-	-	-	85,780
415,005	-	-	-	415,005
-	295,034	5,952	71,660	404,568
415,005	295,034	5,952	71,660	819,573
523,291	295,034	5,952	71,660	927,889

Greene County

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

Year ended June 30, 2018

	Special		
	County Recorder's Records		
	Management	REAP	Forfeiture
Revenues:			
Local option sales and services tax	\$ -	-	-
Intergovernmental	-	9,535	-
Charges for service	2,554	-	-
Use of money and property	13	15	-
Miscellaneous	-	-	4,500
Total revenues	2,567	9,550	4,500
Expenditures:			
Operating:			
Public safety and legal services	-	-	4,849
County environment and education	-	-	-
Administration	-	-	-
Non-program	-	-	-
Debt service	-	-	-
Capital projects	-	24,620	-
Total expenditures	-	24,620	4,849
Excess (deficiency) of revenues over (under) expenditures	2,567	(15,070)	(349)
Other financing sources (uses):			
Drainage warrants issued	-	-	-
Transfers in	-	15,000	-
Transfers out	-	-	-
Total other financing sources (uses)	-	15,000	-
Change in fund balances	2,567	(70)	(349)
Fund balances beginning of year	7,445	5,930	16,399
Fund balances end of year	\$ 10,012	5,860	16,050

See accompanying independent auditor's report.

 Revenue

Drainage Districts	Local Option Sales Tax	K-9	Ethanol Plant Agreement	Total
-	370,556	-	-	370,556
-	-	-	-	9,535
-	-	-	-	2,554
-	-	-	-	28
338,947	-	525	50,532	394,504
338,947	370,556	525	50,532	777,177
-	111,965	358	-	117,172
-	7,300	-	-	7,300
-	5,000	-	-	5,000
-	-	-	56,483	56,483
289,906	-	-	-	289,906
122,960	-	-	-	147,580
412,866	124,265	358	56,483	623,441
(73,919)	246,291	167	(5,951)	153,736
73,779	-	-	-	73,779
-	-	-	-	15,000
-	(305,000)	-	-	(305,000)
73,779	(305,000)	-	-	(216,221)
(140)	(58,709)	167	(5,951)	(62,485)
415,145	353,743	5,785	77,611	882,058
415,005	295,034	5,952	71,660	819,573

Greene County
 Combining Schedule of Fiduciary Assets and Liabilities
 Agency Funds

June 30, 2018

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ -	741	240,935	30,678
Other County officials	44,920	-	-	-
Receivables:				
Property tax:				
Delinquent	-	18	28	741
Succeeding year	-	204,000	306,000	9,084,000
Accounts	21,216	-	-	-
Special assessments	-	-	-	-
Total assets	\$ 66,136	204,759	546,963	9,115,419
Liabilities				
Liabilities:				
Accounts payable	\$ -	-	28	-
Due to other governments	54,201	204,759	543,160	9,115,419
Trusts payable	11,935	-	-	-
Compensated absences	-	-	3,775	-
Total liabilities	\$ 66,136	204,759	546,963	9,115,419

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	County Hospital	Other	Total
2,440	21,733	878	4,517	270,774	7,570	50,947	631,213
-	-	-	-	-	-	195,478	240,398
61	804	8	-	-	189	-	1,849
825,000	3,238,000	263,000	-	-	1,956,000	2,000	15,878,000
-	-	-	-	-	-	-	21,216
-	-	-	20,504	-	-	-	20,504
827,501	3,260,537	263,886	25,021	270,774	1,963,759	248,425	16,793,180
-	-	-	-	-	-	-	28
827,501	3,260,537	263,886	25,021	270,774	1,963,759	206,457	16,735,474
-	-	-	-	-	-	41,968	53,903
-	-	-	-	-	-	-	3,775
827,501	3,260,537	263,886	25,021	270,774	1,963,759	248,425	16,793,180

Greene County

Combining Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds

Year ended June 30, 2018

Assets and Liabilities	County Offices	Agricultural Extension Education	County Assessor	Schools
Balances beginning of year	\$ 42,224	192,377	492,352	7,816,443
Additions:				
Property and other county tax	-	203,685	305,816	9,085,416
State tax credits	-	15,168	22,614	622,618
911 surcharge	-	-	-	-
Office fees and collections	342,974	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	264,715	-	-	-
Miscellaneous	-	-	243	-
Total additions	607,689	218,853	328,673	9,708,034
Deductions:				
Agency remittances:				
To other funds	168,654	-	-	-
To other governments	158,303	206,471	274,062	8,409,058
Trusts paid out	256,820	-	-	-
Total deductions	583,777	206,471	274,062	8,409,058
Balances end of year	\$ 66,136	204,759	546,963	9,115,419

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	County Hospital	Other	Total
625,858	3,021,375	269,470	26,800	341,858	1,959,690	296,186	15,084,633
824,911	3,238,713	263,472	-	-	1,956,438	1,960	15,880,411
49,857	414,870	15,656	-	-	155,001	157	1,295,941
-	-	-	-	-	-	163,998	163,998
-	-	-	-	-	-	33,880	376,854
-	-	-	-	3,548,961	-	-	3,548,961
-	-	-	22,065	-	-	-	22,065
-	-	-	-	-	-	-	264,715
-	-	-	-	-	-	113,428	113,671
874,768	3,653,583	279,128	22,065	3,548,961	2,111,439	313,423	21,666,616
-	-	-	-	131,150	-	-	299,804
673,125	3,414,421	284,712	23,844	3,488,895	2,107,370	329,656	19,369,917
-	-	-	-	-	-	31,528	288,348
673,125	3,414,421	284,712	23,844	3,620,045	2,107,370	361,184	19,958,069
827,501	3,260,537	263,886	25,021	270,774	1,963,759	248,425	16,793,180

Greene County

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

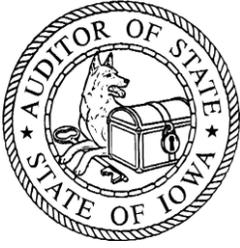
For the Last Ten Years

	2018	2017	2016	Modified 2015
Revenues:				
Property and other county tax	\$ 5,212,426	4,984,339	4,940,267	4,895,908
Local option sales and services tax	370,556	400,549	428,566	420,581
Interest and penalty on property tax	19,636	26,965	25,995	20,182
Intergovernmental	4,185,932	4,388,979	4,655,323	3,790,906
Licenses and permits	85,524	61,398	50,014	39,461
Charges for service	617,204	494,141	453,684	384,805
Use of money and property	82,915	51,482	49,158	48,698
Miscellaneous	1,371,712	1,210,203	623,894	814,439
Total	<u>\$ 11,945,905</u>	<u>11,618,056</u>	<u>11,226,901</u>	<u>10,414,980</u>
Expenditures:				
Operating:				
Public safety and legal services	\$ 1,980,150	1,614,199	1,656,163	1,482,132
Physical health and social services	421,169	396,540	428,158	397,514
Mental health	371,950	408,236	282,627	338,947
County environment and education	677,502	866,841	1,034,490	872,788
Roads and transportation	5,673,318	4,777,195	5,130,317	4,745,432
Governmental services to residents	373,299	368,400	365,268	351,230
Administration	1,828,791	2,137,658	1,588,383	1,504,026
Non-program	287,483	143,674	220,652	175,000
Debt service	289,906	201,832	43,645	90,953
Capital projects	253,154	408,573	856,638	207,133
Total	<u>\$ 12,156,722</u>	<u>11,323,148</u>	<u>11,606,341</u>	<u>10,165,155</u>

See accompanying independent auditor's report.

Accrual Basis					
2014	2013	2012	2011	2010	2009
4,876,014	5,050,566	4,651,181	4,964,479	4,438,624	4,220,867
363,453	330,372	335,478	334,826	359,816	356,170
23,963	22,814	24,080	32,089	26,982	26,415
3,557,257	3,480,544	3,756,555	4,767,583	4,010,169	4,300,228
50,269	50,377	56,797	49,114	40,939	41,346
388,136	344,026	410,704	410,474	345,286	351,902
49,371	52,357	38,425	47,782	45,248	70,207
576,991	1,031,202	719,594	677,114	618,629	358,326
9,885,454	10,362,258	9,992,814	11,283,461	9,885,693	9,725,461
1,501,937	1,388,685	1,340,259	1,345,041	1,333,360	1,225,669
402,455	399,292	365,858	397,472	432,946	340,039
353,076	319,807	1,422,092	1,226,104	1,087,399	1,240,352
840,761	804,143	815,295	780,196	839,485	734,774
4,424,435	3,973,101	3,834,991	4,137,876	4,315,317	3,700,267
337,782	454,932	347,980	323,357	318,275	321,528
1,451,872	1,454,755	1,394,137	1,338,824	1,247,531	1,185,034
-	-	26,000	36,692	-	-
349,820	719,667	224,505	263,106	218,979	137,275
225,210	541,880	654,489	642,159	367,625	477,540
9,887,348	10,056,262	10,425,606	10,490,827	10,160,917	9,362,478

Greene County



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

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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 Greene 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 Greene County, Iowa, as of and for the year ended June 30, 2018, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 30, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Greene 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 Greene County's internal control. Accordingly, we do not express an opinion on the effectiveness of Greene 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 have not been identified. However, as described in the accompanying Schedule of Findings, we identified a deficiency in internal control we consider to be a material weakness and another deficiency we consider to be a significant deficiency.

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

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

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2018 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.

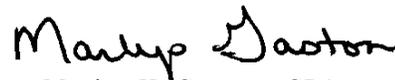
Greene County's Responses to the Findings

Greene County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. Greene 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 Greene 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.



Marlys K. Gaston, CPA
Deputy Auditor of State

May 30, 2019

Greene County
Schedule of Findings
Year ended June 30, 2018

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

(A) Segregation of Duties

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

Condition – 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) Receipts – opening and listing mail receipts (at least on a test basis), collecting, depositing, posting and daily reconciling and change fund custodian.	County Treasurer, County Sheriff and County Recorder
(2) Disbursements – preparing and signing checks.	County Recorder
(3) Independent review of the bank reconciliation was not documented by the signature or initials of the preparer and the reviewer and the date of the review.	County Sheriff

Cause – The County offices noted above have a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

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

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, each official should review the operating procedures of their office to obtain the maximum internal control possible under the circumstances. The officials 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.

Greene County
Schedule of Findings
Year ended June 30, 2018

Responses –

County Treasurer – Since taking office on January 1, 2019, I have been working on segregating the duties in the office.

County Sheriff – I will set up times with the County Auditor to come and review the above mentioned areas of concern. Further I will check on them myself periodically.

County Recorder – We plan to segregate these duties to the best of our ability with our limited staff. This will include initial listings of mail receipts. My deputy needs the authority to sign checks in the event of an emergency. Otherwise I am the only one who signs them for the monthly reports.

Conclusions –

County Treasurer – Response accepted.

County Sheriff – Response accepted.

County Recorder – Response acknowledged. The Office should utilize other County officials to maximize internal control to the extent possible.

(B) County Sheriff Bank Deposit Receipts

Criteria – An effective internal control system provides for internal controls related to ensuring validated bank deposit slips are reconciled to the cash receipt journal.

Condition – The Sheriff's Office does not compare the validated bank deposit receipt to the cash receipt journal.

Cause – Procedures have not been designed and implemented to ensure validated bank deposit slips are reconciled to the cash receipt journal.

Effect – Inadequate controls could result in unrecorded or undeposited cash receipts.

Recommendation – The validated bank deposit receipt should be compared to the cash receipt journal and the review should be documented by the signature or initials of the reviewer and the date of the review.

Response – I will set up times with the County Auditor to come and review the mentioned areas of concern. Further I will check on them myself. I will compare the deposit receipt to the cash receipt journal. I will log the date and time when they are compared.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Greene County

Schedule of Findings

Year ended June 30, 2018

Other Findings Related to Required Statutory Reporting:

- (1) Certified Budget – Disbursements during the year ended June 30, 2018 did not exceed the amounts budgeted.
- (2) Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- (3) Travel Expenses – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- (4) Business Transactions – Business transactions between the County and County officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Mike Wyatt, Custodian, owner of Wyatt Water Conditioning	Supplies	\$ 679
James Carman, Secondary Roads Equipment Operator 3, owner of Carman Tree Service	Tree removal/trimming	1,350
Maralie Ruth, Drivers License Clerk, husband and father own C & R Construction	Remodeling of concession stand and roof repairs	19,580
Dan Towers, Conservation Director, nephew owns Towers Construction	Remodeling of concession stand	1,750

In accordance with Chapter 331.342(2)(j) of the Code of Iowa, the transactions with Wyatt Water Conditioning and Carman Tree Service do not appear to represent conflicts of interest since total transactions for each were less than \$1,500 during the fiscal year.

In accordance with Chapter 331.342(2)(j) of the Code of Iowa, the transactions with C & R Construction and Towers Construction may represent conflicts of interest as defined by Chapter 331.342 of the Code of Iowa.

Recommendation – The County should consult legal counsel to determine the disposition of these matters.

Response – The County has consulted with the Greene County Attorney, who determined that neither of the transactions constituted a conflict of interest within the meaning of Iowa Code Chapter 331.342. Dan Towers did not have a direct or indirect interest in the contract between Greene County and Towers Construction. Maralie Ruth’s remuneration of employment was not directly affected as a result of the contract between Greene County and C&R Construction, and the duties of her employment did not directly involve the procurement or preparation of any part of the contract.

Conclusion – Response acknowledge. In the future the County should seek legal counsel and document conclusions prior to entering into contracts that may violate Chapter 331.342 of the Code of Iowa.

Greene County

Schedule of Findings

Year ended June 30, 2018

- (5) Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- (6) Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- (7) Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County’s investment policy were noted.
- (8) Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- (9) 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, 2018 for the County Extension Office did not exceed the amount budgeted.

- (10) Financial Condition – At June 30, 2018, the County had a deficit balance of \$37,187 in the Internal Service – Employee Group Health Fund.

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

Response – The County was aware the Internal Service, Employee Group Health fund balance was declining. An influx of cash was necessary as well as changes to employee plan options and administration of the plans as recommended by an insurance committee. We have been closely monitoring, and will continue to monitor the health insurance fund cash balance. The balance has improved with the noted changes.

Conclusion – Response accepted.

Greene County

Staff

This audit was performed by:

Marlys K. Gaston, CPA, Deputy
Ernest H. Ruben, Jr., CPA, Director
Ashley J. Moser, Senior Auditor
Jesse J. Probasco, CPA, Senior Auditor
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Ronica H. Drury, Assistant Auditor
Terry J. Erlbacher, Assistant Auditor
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