

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 15, 2021

Contact: Marlys Gaston
515/281-5834

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

FINANCIAL HIGHLIGHTS:

The County's revenues totaled \$15,607,687 for the year ended June 30, 2020, a 14.7% increase over the prior year. Expenses for County operations for the year ended June 30, 2020 totaled \$17,523,577 a 30.3% increase over the prior year. The significant increase in revenues is primarily due to capital grants from the Iowa Department of Transportation for capital projects. The significant increase in expenses is due primarily to the County's portion of the Greene County Career Academy project.

AUDIT FINDINGS:

Sand reported four findings related to the receipt and expenditure of taxpayer funds. They are found on pages 76 through 80 of this report. The findings address issues such as lack of segregation of duties, material audit adjustments relating to prepaid expenses and capital assets, and unresolved variances in the bank reconciliation. Sand provided the County with recommendations to address each of these findings.

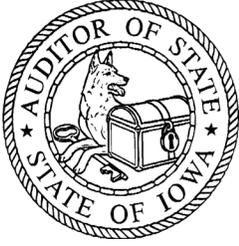
Two of the findings discussed above are repeated from the prior year. The County Board of Supervisors and management have a fiduciary responsibility to provide oversight of the County's operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" a governing body exercises in its fiduciary capacity.

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, 2020

Greene County



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

May 20, 2021

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, 2020. 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 my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink that reads "Rob Sand". The signature is stylized and written in a cursive-like font.

Rob Sand
Auditor of State

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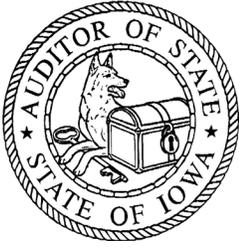
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Greene County

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Mick Burkett	Board of Supervisors	Jan 2021
John Muir	Board of Supervisors	Jan 2021
Peter Bardole	Board of Supervisors	Jan 2021
Thomas Contner	Board of Supervisors	Jan 2023
Dawn Rudolph	Board of Supervisors	Jan 2023
Jane Heun	County Auditor	Jan 2021
Katlynn Gannon-Mechaelsen	County Treasurer	Jan 2023
Marcia Tasler	County Recorder	Jan 2023
Jack Williams	County Sheriff	Jan 2021
Thomas Laehn	County Attorney	Jan 2023
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, 2020, 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, 2020, 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.

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 8 through 14 and 52 through 61 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 who 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.

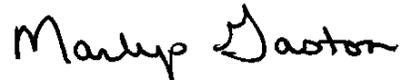
Supplementary Information

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, 2019 (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 20, 2021 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 20, 2021

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, 2020. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2020 FINANCIAL HIGHLIGHTS

- Revenues of the County's governmental activities increased 14.7%, or approximately \$2,006,000, over fiscal year 2019 to fiscal year 2020. Operating grants, contributions and restricted interest increased approximately \$81,000, Property taxes increased \$860,000 and capital grants, contributions and restricted interest increased 183.1%, or approximately \$1,031,000 over fiscal year 2019.
- Total program expenses of the County's governmental activities increased 30.3%, or approximately \$4,078,000. The largest program expense increases were in the areas of non-program (approximately \$4,427,000, or 539.2%) and public safety and legal services (approximately \$273,000, or 12.1%). Roads and transportation expenses decreased approximately \$450,000, or 7.0%, and administration expenses decreased approximately \$231,000, or 12.5%.
- The County's net position decreased 7.8%, or approximately \$1,916,000, from the June 30, 2019 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, 2) the Special Revenue Funds, such as Mental Health, Rural Services and Secondary Roads, 3) the Debt Service Fund and 4) the Capital Projects Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

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

- 2) 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 custodial capacity for others which cannot be used to support the County's own programs. These fiduciary funds include Agency Funds that account for drainage districts, emergency management services, and the County Assessor, to name a few.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. 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,	
	2020	2019
Current and other assets	\$ 15,540	13,451
Capital assets	22,121	20,585
Total assets	37,661	34,036
Deferred outflows of resources	840	918
Long-term liabilities	8,304	3,193
Other liabilities	526	566
Total liabilities	8,830	3,759
Deferred inflows of resources	6,880	6,489
Net position:		
Invested in capital assets	22,121	20,585
Restricted	5,811	4,534
Unrestricted	(5,141)	(412)
Total net position	\$ 22,791	24,707

Net position of Greene County's governmental activities decreased approximately \$1,916,000, or 7.8%.

The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment). Less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category decreased approximately \$1,987,000, or 9.7% from the prior year.

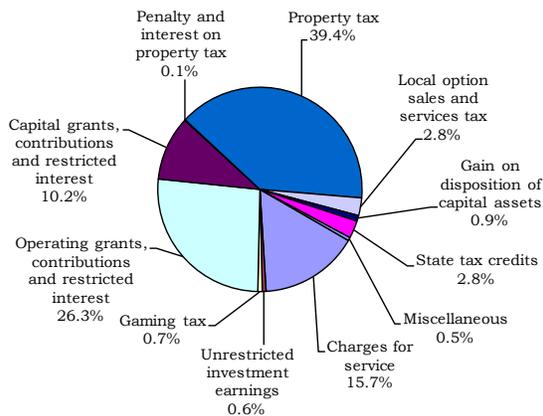
Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position category increased approximately \$1,277,000, or 28.2% over the prior year.

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 \$412,000 at June 30, 2019 to a deficit of approximately \$5,141,000 at the end of this year, a decrease of 1,147.8%. The unrestricted net position deficit is due to reporting the general obligation urban renewal capital loan notes and the net pension and total OPEB liabilities.

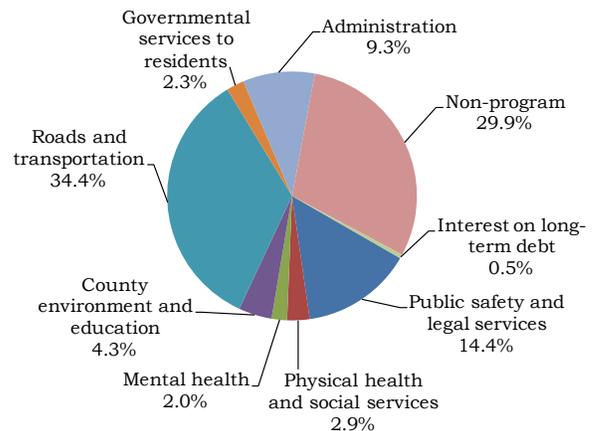
Changes in Net Position of Governmental Activities
(Expressed in Thousands)

	Year ended June 30,	
	2020	2019
Revenues:		
Program revenues:		
Charges for service	\$ 2,456	2,437
Operating grants, contributions and restricted interest	4,107	4,026
Capital grants, contributions and restricted interest	1,594	563
General revenues:		
Property tax	6,137	5,277
Penalty and interest on property tax	20	14
Gaming tax	112	145
Local option sales and services tax	433	436
State tax credits	436	399
Unrestricted investment earnings	98	52
Gain on disposition of capital assets	137	166
Miscellaneous	78	87
Total revenues	15,608	13,602
Program expenses:		
Public safety and legal services	2,531	2,258
Physical health and social services	514	492
Mental health	344	422
County environment and education	761	745
Roads and transportation	6,016	6,466
Governmental services to residents	398	384
Administration	1,622	1,853
Non-program	5,248	821
Interest on long-term debt	90	5
Total expenses	17,524	13,446
Change in net position	(1,916)	156
Net position beginning of year	24,707	24,551
Net position end of year	\$ 22,791	24,707

Revenues by Source



Expenses by Program



Overall, Greene County’s revenues for governmental activities increased approximately \$2,006,000 over the prior year and expenses increased \$4,078,000. Capital grants, contributions and restricted interest increased approximately \$1,031,000, primarily due to more Iowa Department of Transportation road network projects.

Greene County increased the property tax levied county-wide by \$784,636, or 20.6%, and increased the rural property tax levied by \$98,508, or 6.2%. Taxable valuation (without gas and electric utilities) for each and total dollars levied are as follows:

	For Taxes Levied By Fiscal Year	
	2020	2019
County-wide taxable valuation	\$ 685,287,662	655,727,099
Dollars levied county-wide	4,584,575	3,799,939
Rural taxable valuation	493,506,939	471,467,594
Dollars levied rural area only	1,677,924	1,579,416
Total dollars levied	6,262,499	5,379,355

County-wide property tax revenue is budgeted to decrease approximately \$12,016 in fiscal year 2021 and rural services property tax revenue is budgeted to increase approximately \$26,930. The county-wide taxable valuation increased in fiscal year 2021 to \$714,447,152, or approximately 4.3%.

INDIVIDUAL MAJOR FUND ANALYSIS

As Greene County completed the year, its governmental funds reported a combined fund balance of approximately \$7.4 million, an increase of approximately \$1,047,000 over last year’s total of approximately \$6.4 million. The following are reasons for the more significant changes in fund balances of the major funds from the prior year:

- General Fund revenues increased approximately \$935,000 while expenditures increased approximately \$464,000. The ending fund balance increased approximately \$213,000 over the prior year to approximately \$2,102,000. The increase in expenditures was primarily due to the addition of an ambulance service in March 2019 with an amendment to the budget for the final three months of that fiscal year. Fiscal year 2020 was its full year of operation.
- Special Revenue, Mental Health Fund revenues decreased approximately \$2,000 from the prior year. Expenditures decreased approximately \$77,000. The Special Revenue, Mental Health Fund ending fund balance decreased approximately \$145,000 from the prior year ending fund balance to \$45,739. The decrease in expenditures was primarily due to less expenditures to the Central Iowa Community Services fiscal agent for the County’s share of services and other costs.
- The Special Revenue, Rural Services Fund balance increased approximately \$61,000. Revenues increased approximately \$84,000 while expenditure increased approximately \$7,000.
- Special Revenue, Secondary Roads Fund revenues and expenditures decreased approximately \$601,000 and \$266,000 respectively. The ending fund balance decreased approximately \$172,000 from the prior year. The decrease in revenues and expenditures is primarily due to a reimbursement from Mid-American Energy for wind turbine construction received in fiscal year 2019 and decreased expenditures for road maintenance with the winter not being as harsh in fiscal year 2020.

- During the year ended June 30, 2020, the County issued \$4.755 million of general obligation notes to help finance the County's share of the construction of the Greene County Career Academy. The proceeds from the note issue were placed in the Capital Projects Fund to account for this project. Approximately \$985,000 of note proceeds remained in the Capital Projects Fund at the end of the year. The Greene County Career Academy will be operated by the Greene County Community School District and is not a capital asset of the County

BUDGETARY HIGHLIGHTS

Over the course of the year, Greene County amended its budget two times. The first amendment was made in January 2020 and increased budgeted receipts by \$86,556 and budgeted disbursements by \$5,183,315. The amendment included a \$40,000 increase in use of money and property which was primarily for interest earned on the note proceeds for the Career Academy. Capital projects budgeted disbursements increased \$5,000,000 primarily for the Career Academy. Debt service budgeted disbursements increased \$72,300 for an interest payment on the notes. The second amendment was made in May 2020 and decreased budgeted receipts by \$36,959 and increased budgeted disbursements by \$118,100. The amendment included a \$60,000 decrease in charges for services due to less camping and ambulance receipts due to COVID-19. Other County taxes decreased \$35,000 with the casino being closed due to COVID-19. County environment and education budgeted disbursements increased \$48,100 for FEMA repair work on a trail and other conservation improvements. Public Safety budgeted disbursement increased \$43,000 for ambulance wages.

The County's cash basis receipts were \$297,732 less than the amended budget, a variance of 2.3%.

Total cash basis disbursements were \$2,107,160 less than the amended budget, a variance of 11.3%. The largest variance occurred within the capital projects function where disbursements were \$1,424,802 less than budgeted, due in part, to the construction of the Career Academy project that was not completed, but rather, extended into the next fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2020, Greene County had approximately \$22.1 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 \$1,536,000, or 7.5%, over last year.

Capital Assets of Governmental Activities at Year End		
(Expressed in Thousands)		
	June 30,	
	2020	2019
Land	\$ 2,027	2,027
Construction in progress	1,412	571
Buildings	1,706	1,674
Equipment and vehicles	4,203	3,773
Infrastructure	12,773	12,540
Total	\$ 22,121	20,585
This year's major additions included:		
Capital assets contributed by the Iowa Department of Transportation	\$	1,303
Sheriff vehicles		94
Conservation equipment		10
Conservation land improvement		101
Ambulance equipment		40
Secondary roads trucks, shop and equipment		855
Total	\$	2,403

The County had depreciation expense of \$1,184,934 in fiscal year 2020 and total accumulated depreciation of \$18,265,683 at June 30, 2020. More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

Long-Term Debt

At June 30, 2020, Greene County had \$5,470,888 of general obligation notes and other debt outstanding, compared to \$95,070 at June 30, 2019, as shown below.

	Outstanding Debt of Governmental Activities at Year End	
	June 30,	
	2020	2019
General obligation	\$ 4,755,000	-
Drainage warrants	713,868	95,070
	<u>\$ 5,470,888</u>	<u>95,070</u>

Debt increased primarily as a result of issuing general obligation notes for the Greene County Career Academy.

The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. Greene County's outstanding general obligation debt and tax increment financing obligations are significantly below its constitutional debt limit of approximately \$54 million. Additional information about the County's long-term debt is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Greene County's elected and appointed officials carefully considered many factors when setting the fiscal year 2021 budget, tax rates and fees charged for various County activities. County-wide taxable valuations rose approximately 4.3% and rural taxable valuations rose approximately 3.7%. The County raised the general basic, lowered the general supplemental and raised the rural services basic levies by \$0.20, \$0.5247 and \$0.07 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, 2020

	Governmental Activities
Assets	
Cash, cash equivalents and pooled investments	\$ 6,377,650
Receivables:	
Property tax:	
Delinquent	28,076
Succeeding year	6,266,000
Interest and penalty on property tax	5,588
Accounts	42,262
Drainage assessments	713,898
Due from other governments	532,922
Inventories	1,517,422
Prepaid expenses	56,448
Capital assets, net of accumulated depreciation	22,121,160
Total assets	37,661,426
Deferred Outflows of Resources	
Pension related deferred outflows	807,866
OPEB related deferred outflows	31,991
Total deferred outflows of resources	839,857
Liabilities	
Accounts payable	209,821
Salaries and benefits payable	8,412
Due to other governments	295,023
Accrued interest payable	12,324
Long-term liabilities:	
Portion due or payable within one year:	
Compensated absences	249,396
Total OPEB liability	17,628
Portion due or payable after one year:	
General obligation notes	4,755,000
Drainage warrants	713,868
Compensated absences	63,311
Net pension liability	2,275,476
Total OPEB liability	229,416
Total liabilities	8,829,675
Deferred Inflows of Resources	
Unavailable property tax revenue	6,266,000
Pension related deferred inflows	578,173
OPEB related deferred inflows	36,079
Total deferred inflows of resources	6,880,252
Net Position	
Net investment in capital assets	22,121,160
Restricted for:	
Supplemental levy purposes	650,956
Mental health purposes	44,501
Rural services purposes	450,934
Secondary roads purposes	2,790,334
Capital projects	984,564
Drainage improvements	369,270
Other purposes	520,424
Unrestricted	(5,140,787)
Total net position	\$ 22,791,356

See notes to financial statements.

Greene County

Statement of Activities

Year ended June 30, 2020

	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	\$ 2,530,529	528,015	4,310	-	(1,998,204)
Physical health and social services	513,945	7,375	131,718	-	(374,852)
Mental health	344,036	-	-	-	(344,036)
County environment and education	760,963	180,553	64,501	7,715	(508,194)
Roads and transportation	6,016,139	273,145	3,832,266	1,586,351	(324,377)
Governmental services to residents	397,902	244,137	-	-	(153,765)
Administration	1,622,220	15,326	-	-	(1,606,894)
Non-program	5,248,110	1,207,359	74,383	-	(3,966,368)
Interest on long-term debt	89,733	-	-	-	(89,733)
Total	\$ 17,523,577	2,455,910	4,107,178	1,594,066	(9,366,423)
General Revenues:					
Property and other county tax levied for general purposes					6,137,222
Penalty and interest on property tax					19,492
Local option sales and services tax					432,449
State tax credits					436,222
Gaming tax					112,216
Unrestricted investment earnings					98,355
Gain on disposition of capital assets					136,600
Miscellaneous					77,977
Total general revenues					7,450,533
Change in net position					(1,915,890)
Net position beginning of year					24,707,246
Net position end of year					\$ 22,791,356

See notes to financial statements.

Greene County
Balance Sheet
Governmental Funds

June 30, 2020

	Special Revenue		
	General	Mental Health	Rural Services
Assets			
Cash, cash equivalents and pooled investments	\$ 2,068,862	46,714	459,316
Receivables:			
Property tax:			
Delinquent	21,212	1,104	5,760
Succeeding year	4,353,000	220,000	1,693,000
Interest and penalty on property tax	5,588	-	-
Accounts	36,117	-	-
Drainage assessments	-	-	-
Due from other governments	37,978	-	12,448
Inventories	-	-	-
Prepaid expenditures	56,448	-	-
Total assets	\$ 6,579,205	267,818	2,170,524
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 70,373	3	274
Salaries and benefits payable	8,044	-	368
Due to other governments	22,653	1,600	-
Total liabilities	101,070	1,603	642
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	4,353,000	220,000	1,693,000
Other	23,598	476	1,887
Total deferred inflows of resources	4,376,598	220,476	1,694,887
Fund balances:			
Nonspendable			
Inventories	-	-	-
Prepaid expenditures	56,448	-	-
Restricted for:			
Supplemental levy purposes	657,500	-	-
Mental health	-	45,739	-
Rural services	-	-	474,995
Secondary roads	-	-	-
Drainage warrants	-	-	-
Capital projects	-	-	-
Debt service	-	-	-
Other purposes	-	-	-
Assigned for capital improvement projects	454,587	-	-
Assigned for election equipment	90,000	-	-
Assigned for attorney recovery fees	4,916	-	-
Assigned for conservation reserve	33,224	-	-
Unassigned	804,862	-	-
Total fund balances	2,101,537	45,739	474,995
Total liabilities, deferred inflows of resources and fund balances	\$ 6,579,205	267,818	2,170,524

See notes to financial statements.

Secondary Roads	Capital Projects	Nonmajor	Total
1,060,537	1,255,056	807,909	5,698,394
-	-	-	28,076
-	-	-	6,266,000
-	-	-	5,588
6,145	-	-	42,262
-	-	713,898	713,898
447,317	-	35,179	532,922
1,517,422	-	-	1,517,422
-	-	-	56,448
3,031,421	1,255,056	1,556,986	14,861,010
62,103	-	9,871	142,624
-	-	-	8,412
278	270,492	-	295,023
62,381	270,492	9,871	446,059
-	-	-	6,266,000
-	-	713,868	739,829
-	-	713,868	7,005,829
1,517,422	-	-	1,517,422
-	-	-	56,448
-	-	-	657,500
-	-	-	45,739
-	-	-	474,995
1,451,618	-	-	1,451,618
-	-	369,270	369,270
-	984,564	-	984,564
-	-	1	1
-	-	463,976	463,976
-	-	-	454,587
-	-	-	90,000
-	-	-	4,916
-	-	-	33,224
-	-	-	804,862
2,969,040	984,564	833,247	7,409,122
3,031,421	1,255,056	1,556,986	14,861,010

Greene County

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

June 30, 2020

Total governmental fund balances (page 19) \$ 7,409,122

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 \$40,386,843 and the accumulated depreciation is \$18,265,683. 22,121,160

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. 739,829

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. 612,059

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	\$ 839,857	
Deferred inflows of resources	<u>(614,252)</u>	225,605

Long-term liabilities, including notes payable, drainage warrants payable, compensated absences payable, net pension liability, total OPEB liability and accrued interest payable are not due and payable, in the current year and, therefore, are not reported in the governmental funds. (8,316,419)

Net position of governmental activities (page 16) \$ 22,791,356

See notes to financial statements.

Greene County

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

Year ended June 30, 2020

	Special Revenue		
	General	Mental Health	Rural Services
Revenues:			
Property and other county tax	\$ 4,386,075	188,158	1,665,219
Local option sales and services tax	-	-	-
Interest and penalty on property tax	14,570	-	-
Intergovernmental	552,191	14,725	212,677
Licenses and permits	7,375	-	-
Charges for service	778,484	-	2,915
Use of money and property	89,220	-	-
Miscellaneous	130,856	-	1,970
Total revenues	<u>5,958,771</u>	<u>202,883</u>	<u>1,882,781</u>
Expenditures:			
Operating:			
Public safety and legal services	1,982,920	-	505,373
Physical health and social services	511,320	-	-
Mental health	-	347,652	-
County environment and education	571,016	-	143,697
Roads and transportation	-	-	-
Governmental services to residents	395,165	-	-
Administration	2,096,297	-	-
Non-program	13,800	-	-
Debt service	-	-	-
Capital projects	135,390	-	-
Total expenditures	<u>5,705,908</u>	<u>347,652</u>	<u>649,070</u>
Excess (deficiency) of revenues over (under) expenditures	<u>252,863</u>	<u>(144,769)</u>	<u>1,233,711</u>
Other financing sources (uses):			
General obligation notes issued	-	-	-
Premium on General obligation notes issued	-	-	-
Sale of capital assets	-	-	-
Drainage warrants issued	-	-	-
Transfers in	63,873	-	-
Transfers out	(103,945)	-	(1,172,295)
Total other financing sources (uses)	<u>(40,072)</u>	<u>-</u>	<u>(1,172,295)</u>
Change in fund balances	212,791	(144,769)	61,416
Fund balances beginning of year	<u>1,888,746</u>	<u>190,508</u>	<u>413,579</u>
Fund balances end of year	<u>\$ 2,101,537</u>	<u>45,739</u>	<u>474,995</u>

See notes to financial statements.

Secondary Roads	Capital Projects	Nonmajor	Total
-	-	-	6,239,452
-	-	432,449	432,449
-	-	-	14,570
3,832,266	-	9,629	4,621,488
50,716	-	-	58,091
-	-	2,281	783,680
24,773	23,326	41	137,360
222,473	-	184,604	539,903
<u>4,130,228</u>	<u>23,326</u>	<u>629,004</u>	<u>12,826,993</u>
-	-	3,660	2,491,953
-	-	-	511,320
-	-	-	347,652
-	-	9,150	723,863
5,985,472	-	-	5,985,472
-	-	1,225	396,390
-	-	-	2,096,297
-	-	50,426	64,226
-	-	164,472	164,472
-	4,016,112	744,628	4,896,130
<u>5,985,472</u>	<u>4,016,112</u>	<u>973,561</u>	<u>17,677,775</u>
<u>(1,855,244)</u>	<u>(3,992,786)</u>	<u>(344,557)</u>	<u>(4,850,782)</u>
-	4,755,000	-	4,755,000
-	303,873	-	303,873
132,790	-	-	132,790
-	-	705,861	705,861
1,550,340	-	73,550	1,687,763
-	(81,523)	(330,000)	(1,687,763)
<u>1,683,130</u>	<u>4,977,350</u>	<u>449,411</u>	<u>5,897,524</u>
(172,114)	984,564	104,854	1,046,742
<u>3,141,154</u>	<u>-</u>	<u>728,393</u>	<u>6,362,380</u>
<u>2,969,040</u>	<u>984,564</u>	<u>833,247</u>	<u>7,409,122</u>

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, 2020

Change in fund balances - Total governmental funds (page 23) \$ 1,046,742

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 and capital contributions exceeded depreciation expense in the current year, as follows:

Expenditures for capital assets	\$ 1,280,684	
Capital assets contributed by the Iowa Department of Transportation	1,303,720	
Depreciation expense	<u>(1,184,934)</u>	1,399,470

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.

136,600

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	9,986	
Other	<u>588,088</u>	598,074

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 issuances exceeded repayments, as follows:

Issued	(5,460,861)	
Repaid	<u>87,063</u>	(5,373,798)

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.

419,644

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	17,727	
Pension expense	(502,665)	
OPEB expense	(19,798)	
Interest on long term debt	<u>(12,324)</u>	(517,060)

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.

374,438

Change in net position of governmental activities (page 17) \$ (1,915,890)

See notes to financial statements.

Greene County
Statement of Net Position
Proprietary Fund

June 30, 2020

	<u>Internal Service – Employee Group Health</u>
Assets	
Cash and cash equivalents	<u>\$ 679,256</u>
Current Liabilities	
Accounts payable	<u>67,197</u>
Net Position	
Unrestricted	<u>\$ 612,059</u>

See notes to financial statements.

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

Year ended June 30, 2020

		<u>Internal Service – Employee Group Health</u>
Operating revenues:		
Reimbursements from operating funds and other governmental units		\$ 1,404,356
Reimbursements from employees and others		215,431
Insurance reimbursements		<u>191,755</u>
Total operating revenues		1,811,542
Operating expenses:		
Medical claims	\$ 1,102,010	
Insurance premiums	229,009	
Administrative and other fees	22,974	
Prescription charges	<u>83,111</u>	<u>1,437,104</u>
Total operating income		374,438
Net position beginning of year		<u>237,621</u>
Net position end of year		<u>\$ 612,059</u>

See notes to financial statements.

Greene County

Statement of Cash Flows
Proprietary Fund

Year ended June 30, 2020

	Internal Service – Employee Group Health
Cash flows from operating activities:	
Cash received from operating funds and other reimbursements	\$ 1,652,699
Cash received from insurance reimbursements	207,640
Cash paid to suppliers for services	(1,512,431)
Net cash provided by operating activities	347,908
Cash and cash equivalents beginning of year	331,348
Cash and cash equivalents end of year	\$ 679,256
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 374,438
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in accounts receivable	48,797
Decrease in accounts payable	(75,327)
Net cash used by operating activities	\$ 347,908

See notes to financial statements.

Greene County

Greene County
Statement of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2020

Assets

Cash, cash equivalents and pooled investments:

County Treasurer	\$ 732,896
Other County officials	165,077

Receivables:

Property tax:

Delinquent	92,618
Succeeding year	16,927,000

Accounts	12,050
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Special assessments	20,068
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Total assets	<u>17,949,709</u>
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Liabilities

Accounts payable	74
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Due to other governments	17,850,025
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Trusts payable	94,028
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Compensated absences	5,582
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Total liabilities	<u>17,949,709</u>
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Net position	<u>\$ -</u>
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See notes to financial statements.

Greene County

Notes to Financial Statements

June 30, 2020

(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, acting as trustees for the drainage districts. 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 and reduced by outstanding balances for notes and other debt attributable to the acquisition, construction or improvement of those assets.

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

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position 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 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 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, transfers from the General Fund and the Special Revenue, Rural Services Fund and other revenues to be used for secondary roads construction and maintenance.

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

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 agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds.

C. Measurement Focus and Basis of Accounting

The government-wide, 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 position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general revenues.

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

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 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, 2018 assessed property valuations; is for the tax accrual period July 1, 2019 through June 30, 2020 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2019.

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 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 cost 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. 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, 2020. 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 and deferred inflows 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 and OPEB 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, 2020 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 \$99,353. 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) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2020 is as follows:

Transfer to	Transfer from	Amount
General	Special Revenue:	
	Local Option Sales Tax	\$ 5,000
	Capital Projects	<u>58,873</u>
		<u>63,873</u>
Debt Service	General	50,900
	Capital Projects	<u>22,650</u>
		<u>73,550</u>
Special Revenue:	General	53,045
Secondary Roads	Special Revenue:	
	Rural Services	1,172,295
	Local Option Sales Tax	<u>325,000</u>
		<u>1,550,340</u>
Total		<u>\$ 1,687,763</u>

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

(4) Capital Assets

Capital assets activity for the year ended June 30, 2020 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,027,312	-	-	2,027,312
Construction in progress	<u>570,628</u>	<u>1,597,936</u>	<u>757,115</u>	<u>1,411,449</u>
Total capital assets not being depreciated	<u>2,597,940</u>	<u>1,597,936</u>	<u>757,115</u>	<u>3,438,761</u>
Capital assets being depreciated:				
Buildings	3,095,350	89,435	-	3,184,785
Equipment and vehicles	10,731,577	1,038,133	568,641	11,201,069
Infrastructure, other	146,051	-	-	146,051
Infrastructure, road network	<u>21,659,062</u>	<u>757,115</u>	-	<u>22,416,177</u>
Total capital assets being depreciated	<u>35,632,040</u>	<u>1,884,683</u>	<u>568,641</u>	<u>36,948,082</u>
Less accumulated depreciation for:				
Buildings	1,421,800	56,557	-	1,478,357
Equipment and vehicles	6,958,207	603,988	564,141	6,998,054
Infrastructure, other	14,604	4,869	-	19,473
Infrastructure, road network	<u>9,250,279</u>	<u>519,520</u>	-	<u>9,769,799</u>
Total accumulated depreciation	<u>17,644,890</u>	<u>1,184,934</u>	<u>564,141</u>	<u>18,265,683</u>
Total capital assets being depreciated, net	<u>17,987,150</u>	<u>699,749</u>	<u>4,500</u>	<u>18,682,399</u>
Governmental activities capital assets, net	<u>\$ 20,585,090</u>	<u>2,297,685</u>	<u>761,615</u>	<u>22,121,160</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 93,914
County environment and education	44,714
Roads and transportation	1,017,026
Governmental services to residents	2,370
Administration	<u>26,910</u>
Total depreciation expense - governmental activities	<u>\$ 1,184,934</u>

(5) Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2020 is as follows:

Fund	Description	Amount
General	Services	\$ 22,653
Special Revenue:		
Mental Health	Services	1,600
Secondary Roads	Services	278
Capital Projects	Services	<u>270,492</u>
Total for governmental funds		<u>\$ 295,023</u>
Agency:		
County Assessor	Collections	\$ 587,765
Schools		9,622,232
Community Colleges		764,747
Corporations		3,589,691
County Hospital		2,141,689
All other		<u>704,383</u>
Total for agency funds		<u>\$ 17,410,507</u>

(6) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2020 is as follows:

	Drainage Warrants	Compensated Absences	Net Pension Liability	Total OPEB Liability	General Obligation Urban Renewal Capital Loan Notes	Total
Balance beginning of year	\$ 95,070	330,434	2,513,112	254,335	-	3,192,951
Increases	705,861	291,935	-	10,337	4,755,000	5,763,133
Decreases	87,063	309,662	237,636	17,628	-	651,989
Balance end of year	<u>\$ 713,868</u>	<u>312,707</u>	<u>2,275,476</u>	<u>247,044</u>	<u>4,755,000</u>	<u>8,304,095</u>
Due within one year	<u>\$ -</u>	<u>249,396</u>	<u>-</u>	<u>17,628</u>	<u>-</u>	<u>267,024</u>

Notes Payable

On December 5, 2019, the County issued \$4,755,000 of general obligation urban renewal capital loan notes, series 2019A with interest rates ranging from 2.00-4.00% per annum. The notes were issued to provide funding for a portion of the costs for the construction of the Greene County Career Academy Project to be constructed and operated by the Greene County Community School District. During the year ended June 30, 2020, the County paid interest of \$72,299 on the notes. A summary of the County's June 30, 2020 general obligation indebtedness is as follows:

Year Ending June 30,	Series 2019A, GO Urban Renewal Capital Loan Note			
	Issued December 5, 2019			
	Interest Rates	Principal	Interest	Total
2021	0.00%	\$ -	147,885	147,885
2022	3.00	40,000	147,885	187,885
2023	4.00	200,000	146,685	346,685
2024	4.00	405,000	138,685	543,685
2025	4.00	630,000	122,485	752,485
2026-2030	2.00-4.00	3,480,000	271,025	3,751,025
Total		\$ 4,755,000	974,650	5,729,650

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.

(7) 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 2020, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the County contributed 9.44% of covered payroll, for a total rate of 15.73%. The Sheriff, deputies and the County each contributed 9.51% of covered payroll, for a total rate of 19.02%. Protection occupation members contributed 6.61% of covered payroll and the County contributed 9.91% of covered payroll, for a total rate of 16.52%.

The County's contributions to IPERS for the year ended June 30, 2020 totaled \$419,644.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2020, the County reported a liability of \$2,275,476 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 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, 2019, the County's proportion was 0.039296%, which was a decrease of 0.000417% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$502,665. At June 30, 2020, 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	\$ 15,110	96,942
Changes of assumptions	328,693	65,093
Net difference between projected and actual earnings on IPERS plan investments	-	369,123
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	44,419	47,015
County contributions subsequent to the measurement date	419,644	-
Total	<u>\$ 807,866</u>	<u>578,173</u>

\$419,644 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, 2021. 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
2021	\$ 35,003
2022	(104,788)
2023	(66,386)
2024	(52,442)
2025	<u>(1,338)</u>
Total	<u>\$ (189,951)</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2019 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, 2019 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2019 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

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	22.0%	5.60%
International equity	15.0	6.08
Global smart beta equity	3.0	5.82
Core plus fixed income	27.0	1.71
Public credit	3.5	3.32
Public real assets	7.0	2.81
Cash	1.0	(0.21)
Private equity	11.0	10.13
Private real assets	7.5	4.76
Private credit	3.0	3.01
Total	<u>100%</u>	

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	\$ 4,735,191	2,275,476	212,926

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, 2020.

(8) 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, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	3
Active employees	<u>81</u>
Total	<u><u>84</u></u>

Total OPEB Liability – The County's total OPEB liability of \$247,044 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2020 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)	2.66% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2018)	8.00% initial rate decreasing by .5% annually to an ultimate rate of 4.50%.

Discount Rate – The discount rate used to measure the total OPEB liability was 2.66% which reflects the index rate for 20-year tax-exempt general obligation municipal notes 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, 2020 valuation were updated from 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	<u>\$ 254,335</u>
Changes for the year:	
Service cost	24,285
Interest	9,473
Differences between expected and actual experiences	(22,131)
Changes in assumptions	(1,290)
Benefit payments	<u>(17,628)</u>
Net changes	<u>(7,291)</u>
Total OPEB liability end of year	<u>\$ 247,044</u>

Changes of assumptions reflect a change in the discount rate from 3.51% in fiscal year 2019 to 2.66% in fiscal year 2020.

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 (1.66%) or 1% higher (3.66%) than the current discount rate.

	1% Decrease (1.66%)	Discount Rate (2.66%)	1% Increase (3.66%)
Total OPEB liability	\$ 258,270	247,044	235,672

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 (7.00%) or 1% higher (9.00%) than the current healthcare cost trend rates.

	1% Decrease (7.00%)	Healthcare Cost Trend Rate (8.00%)	1% Increase (9.00%)
Total OPEB liability	\$ 222,548	247,044	275,777

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2020, the County recognized OPEB expense of \$19,798. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 27,865	(34,973)
Changes in assumptions	4,126	(1,106)
Total	<u>\$ 31,991</u>	<u>(36,079)</u>

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

Year ending June 30,	Amount
2021	\$ 3,668
2022	3,668
2023	3,666
2024	(5,872)
2025	(5,873)
Thereafter	<u>(3,345)</u>
	<u>\$ (4,088)</u>

(9) Risk Management

The County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 779 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 rate.

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

The County's property and casualty contributions to the 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, 2020 were \$156,100.

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, 2020, no liability has been recorded in the County's financial statements. As of June 30, 2020, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

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

(10) 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 Wellmark. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of \$45,000. 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 Wellmark from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2020 was \$1,404,356.

Amounts payable from the Employee Group Health Fund at June 30, 2020 total \$67,197, 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. That was \$612,059 at June 30, 2020 and is reported as a designation of the Internal Service, Employee Group Health Fund net position. 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	\$ 142,524
Incurred claims (including claims incurred but not reported at June 30, 2020)	1,185,121
Payments on claims during the year	<u>(1,260,448)</u>
Unpaid claims end of year	<u>\$ 67,197</u>

(11) 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, 2020 under agreements entered into by the following entities:

<u>Entity</u>	<u>Tax Abatement Program</u>	<u>Amount of Tax Abated</u>
City of Jefferson	Urban renewal and economic development projects	\$ 64,130

(12) County Financial Information Included in the Central Iowa Community Services

Central 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: Boone County, Franklin County, Greene County, Hamilton County, Hardin County, Jasper County, Madison County, Marshall County, Poweshiek County, Story County and Warren County. The financial activity of the County's Special Revenue, Mental Health Fund is included in the Central Iowa Community Services for the year ended June 30, 2020, as follows:

Revenues:	
Property and other county tax	\$ 188,158
Intergovernmental:	
State tax credits	<u>14,725</u>
Total revenues	<u>202,883</u>
Expenditures:	
Services to persons with:	
Mental illness	80,125
General administration:	
Distribution to regional fiscal agent	<u>267,527</u>
Total expenditures	<u>347,652</u>
Excess of expenditures over revenues	(144,769)
Fund balance beginning of year	<u>190,508</u>
Fund balance end of year	<u>\$ 45,739</u>

(13) Subsequent Event

In February 2021, the County entered into an installment purchase agreement for \$600,000 for land and real estate. The agreement bears interest at 2.22% per annum and is payable in annual installments of \$150,000 over four years. The real estate closing and possession along with the first payment will occur on July 15, 2021.

(14) Prospective Accounting Change

Governmental Accounting Standards Board has issued Statement No. 84, Fiduciary Activities. This statement will be implemented for the fiscal year ending June 30, 2021. The revised requirements of this statement will enhance the consistency and comparability of fiduciary activity reporting by state and local governments by establishing specific criteria for identifying fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities.

(15) COVID-19

In March 2020, the COVID-19 outbreak was declared a global pandemic. The disruption to businesses across a range of industries in the United States continues to evolve. The full impact to local, regional and national economics, including that of Greene County, remains uncertain.

To date, the outbreak has not created a material disruption to the operations of Greene County. However, the extent of the financial impact of COVID-19 will depend on future developments, including the spread of the virus, duration and timing of the economic recovery. Due to the uncertainties, management cannot reasonably estimate the potential impact to Greene County.

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, 2020

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	\$ 6,653,156	-	6,653,156
Interest and penalty on property tax	13,370	-	13,370
Intergovernmental	4,445,546	-	4,445,546
Licenses and permits	55,095	-	55,095
Charges for service	815,117	-	815,117
Use of money and property	137,373	-	137,373
Miscellaneous	593,962	129,875	464,087
Total receipts	12,713,619	129,875	12,583,744
Disbursements:			
Public safety and legal services	2,524,169	-	2,524,169
Physical health and social services	507,961	-	507,961
Mental health	346,062	-	346,062
County environment and education	722,836	-	722,836
Roads and transportation	5,910,515	-	5,910,515
Governmental services to residents	395,767	-	395,767
Administration	2,141,250	-	2,141,250
Non-program	64,226	-	64,226
Debt service	77,410	3,861	73,549
Capital projects	4,612,156	758,958	3,853,198
Total disbursements	17,302,352	762,819	16,539,533
Deficiency of receipts under disbursements	(4,588,733)	(632,944)	(3,955,789)
Other financing sources, net	5,810,460	618,798	5,191,662
Change in balances	1,221,727	(14,146)	1,235,873
Balance beginning of year	4,476,667	393,257	4,083,410
Balance end of year	\$ 5,698,394	379,111	5,319,283

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Net
		Variance
6,680,197	6,635,572	17,584
20,000	20,000	(6,630)
4,527,760	4,617,482	(171,936)
61,525	61,525	(6,430)
854,550	794,550	20,567
60,547	122,547	14,826
627,300	629,800	(165,713)
<u>12,831,879</u>	<u>12,881,476</u>	<u>(297,732)</u>
2,565,210	2,640,210	116,041
601,478	589,993	82,032
346,099	346,099	37
714,873	822,473	99,637
6,036,600	6,036,600	126,085
407,567	407,567	11,800
2,310,451	2,341,451	200,201
110,000	110,000	45,774
-	74,300	751
253,000	5,278,000	1,424,802
<u>13,345,278</u>	<u>18,646,693</u>	<u>2,107,160</u>
(513,399)	(5,765,217)	1,809,428
-	5,058,873	132,789
(513,399)	(706,344)	1,942,217
3,397,860	4,047,350	36,060
<u>2,884,461</u>	<u>3,341,006</u>	<u>1,978,277</u>

Greene County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2020

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 12,713,619	113,374	12,826,993
Expenditures	17,302,352	375,423	17,677,775
Net	(4,588,733)	(262,049)	(4,850,782)
Other financing sources (uses), net	5,810,460	87,064	5,897,524
Beginning fund balances	4,476,667	1,885,713	6,362,380
Ending fund balances	\$ 5,698,394	1,710,728	7,409,122

See accompanying independent auditor's report.

Greene County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2020

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, the Special Revenue Funds, the Debt Service fund and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$5,301,415. 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 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, 2020, 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 Six Years*
(In Thousands)

Required Supplementary Information

	2020	2019	2018	2017
County's proportion of the net pension liability	0.039296%	0.039713%	0.041449%	0.042557%
County's proportionate share of the net pension liability	\$ 2,275	2,513	2,761	2,678
County's covered payroll	\$ 4,008	3,757	3,659	3,594
County's proportionate share of the net pension liability as a percentage of its covered payroll	56.76%	66.89%	75.46%	74.51%
IPERS' net position as a percentage of the total pension liability	85.45%	83.62%	82.21%	81.82%

* 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.

2016	2015
0.041815%	0.040909%
2,066	1,622
3,454	3,377
59.81%	48.03%
87.61%	87.61%

Greene County

Schedule of County Contributions

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

Required Supplementary Information

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Statutorily required contribution	\$ 420	384	341	332
Contributions in relation to the statutorily required contribution	<u>(420)</u>	<u>(384)</u>	<u>(341)</u>	<u>(332)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 4,399	4,008	3,757	3,659
Contributions as a percentage of covered payroll	9.55%	9.58%	9.08%	9.07%

See accompanying independent auditor's report.

2016	2015	2014	2013	2012	2011
327	315	308	297	269	238
(327)	(315)	(308)	(297)	(269)	(238)
-	-	-	-	-	-
3,594	3,454	3,377	3,325	3,209	3,220
9.10%	9.12%	9.12%	8.93%	8.38%	7.39%

Greene County

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2020

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

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.

Greene County

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

For the Last Three Years
Required Supplementary Information

	2020	2019	2018
Service cost	\$ 24,285	23,786	14,832
Interest cost	9,473	10,383	6,940
Difference between expected and actual experiences	(22,131)	(22,406)	55,729
Changes in assumptions	(1,290)	4,723	1,509
Benefit payments	(17,628)	(13,191)	(13,836)
Net change in total OPEB liability	(7,291)	3,295	65,174
Total OPEB liability beginning of year	254,335	251,040	185,866
Total OPEB liability end of year	\$ 247,044	254,335	251,040
Covered-employee payroll	\$ 3,934,015	3,666,487	3,599,017
Total OPEB liability as a percentage of covered-employee payroll	6.3%	6.9%	7.0%

See accompanying independent auditor's report.

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, 2020	2.66%
Year ended June 30, 2019	3.51%
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, 2020

			Special
Assets	County Recorder's Records Management	REAP	Forfeiture
Cash, cash equivalents and pooled investments	\$ 7,013	21,808	11,986
Receivables:			
Drainage assessments	-	-	-
Due from other governments	-	-	-
Total assets	\$ 7,013	21,808	11,986
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ -	-	-
Deferred inflows of resources:			
Unavailable revenues:			
Other	-	-	-
Fund balances:			
Restricted for:			
Drainage warrants	\$ -	-	-
Debt service	-	-	-
Other purposes	7,013	21,808	11,986
Total fund balances	7,013	21,808	11,986
Total liabilities, deferred inflows of resources and fund balances	\$ 7,013	21,808	11,986

See accompanying independent auditor's report.

Revenue					
Drainage Districts	Local Option Sales Tax	K-9	Ethanol Plant Agreement	Debt Service	Total
379,111	319,223	6,626	62,141	1	807,909
713,898	-	-	-	-	713,898
-	35,179	-	-	-	35,179
<u>1,093,009</u>	<u>354,402</u>	<u>6,626</u>	<u>62,141</u>	<u>1</u>	<u>1,556,986</u>
9,871	-	-	-	-	9,871
713,868	-	-	-	-	713,868
369,270	-	-	-	-	369,270
-	-	-	-	1	1
-	354,402	6,626	62,141	-	463,976
<u>369,270</u>	<u>354,402</u>	<u>6,626</u>	<u>62,141</u>	<u>1</u>	<u>833,247</u>
<u>1,093,009</u>	<u>354,402</u>	<u>6,626</u>	<u>62,141</u>	<u>1</u>	<u>1,556,986</u>

Greene County

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

Year ended June 30, 2020

	Special		
	County Recorder's Records		
	Management	REAP	Forfeiture
Revenues:			
Local option sales and services tax	\$ -	-	-
Intergovernmental	-	9,629	-
Charges for service	2,281	-	-
Use of money and property	20	21	-
Miscellaneous	-	-	1,762
Total revenues	2,301	9,650	1,762
Expenditures:			
Operating:			
Public safety and legal services	-	-	3,090
County environment and education	-	-	-
Government services to residents	1,225	-	-
Non-program	-	-	-
Debt service	-	-	-
Capital projects	-	-	-
Total expenditures	1,225	-	3,090
Excess (deficiency) of revenues over (under) expenditures	1,076	9,650	(1,328)
Other financing sources (uses):			
Drainage warrants issued	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Change in fund balances	1,076	9,650	(1,328)
Fund balances beginning of year	5,937	12,158	13,314
Fund balances end of year	\$ 7,013	21,808	11,986

See accompanying independent auditor's report.

Revenue					
Drainage Districts	Local Option Sales Tax	K-9	Ethanol Plant Agreement	Debt Service	Total
-	432,449	-	-	-	432,449
-	-	-	-	-	9,629
-	-	-	-	-	2,281
-	-	-	-	-	41
129,882	-	2,960	50,000	-	184,604
129,882	432,449	2,960	50,000	-	629,004
-	-	570	-	-	3,660
-	9,150	-	-	-	9,150
-	-	-	-	-	1,225
-	-	-	50,426	-	50,426
90,923	-	-	-	73,549	164,472
744,628	-	-	-	-	744,628
835,551	9,150	570	50,426	73,549	973,561
(705,669)	423,299	2,390	(426)	(73,549)	(344,557)
705,861	-	-	-	-	705,861
-	-	-	-	73,550	73,550
-	(330,000)	-	-	-	(330,000)
705,861	(330,000)	-	-	73,550	449,411
192	93,299	2,390	(426)	1	104,854
369,078	261,103	4,236	62,567	-	728,393
369,270	354,402	6,626	62,141	1	833,247

Greene County

Combining Schedule of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2020

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ -	-	204,463	-
Other County officials	38,618	-	-	-
Receivables:				
Property tax:				
Delinquent	-	1,091	1,939	47,232
Succeeding year	-	218,000	387,000	9,575,000
Accounts	12,050	-	-	-
Special assessments	-	-	-	-
Total assets	\$ 50,668	219,091	593,402	9,622,232
Liabilities				
Liabilities:				
Accounts payable	\$ -	-	55	-
Due to other governments	34,269	219,091	587,765	9,622,232
Trusts payable	16,399	-	-	-
Compensated absences	-	-	5,582	-
Total liabilities	\$ 50,668	219,091	593,402	9,622,232

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	County Hospital	Other	Total
-	-	-	-	439,518	-	88,915	732,896
-	-	-	-	-	-	126,459	165,077
3,747	26,691	1,220	-	-	10,689	9	92,618
761,000	3,563,000	290,000	-	-	2,131,000	2,000	16,927,000
-	-	-	-	-	-	-	12,050
-	-	-	20,068	-	-	-	20,068
764,747	3,589,691	291,220	20,068	439,518	2,141,689	217,383	17,949,709
-	-	-	-	-	-	19	74
764,747	3,589,691	291,220	20,068	439,518	2,141,689	139,735	17,850,025
-	-	-	-	-	-	77,629	94,028
-	-	-	-	-	-	-	5,582
764,747	3,589,691	291,220	20,068	439,518	2,141,689	217,383	17,949,709

Greene County

Combining Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds

Year ended June 30, 2020

Assets and Liabilities	County Offices	Agricultural Extension Education	County Assessor	Schools
Balances beginning of year	\$ 43,089	211,067	541,437	9,657,511
Additions:				
Property and other county tax	-	217,526	387,492	9,566,236
State tax credits	-	16,369	22,896	762,606
911 surcharge	-	-	-	-
Office fees and collections	329,434	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	322,541	-	-	-
Miscellaneous	-	-	28	-
Total additions	651,975	233,895	410,416	10,328,842
Deductions:				
Agency remittances:				
To other funds	160,451	-	-	-
To other governments	163,240	225,871	358,451	10,364,121
Trusts paid out	320,705	-	-	-
Total deductions	644,396	225,871	358,451	10,364,121
Balances end of year	\$ 50,668	219,091	593,402	9,622,232

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	County Hospital	Other	Total
687,430	3,188,004	284,026	20,280	259,277	2,061,248	392,360	17,345,729
760,663	3,559,740	290,498	-	-	2,129,439	1,871	16,913,465
53,987	438,081	16,304	-	-	160,102	146	1,470,491
-	-	-	-	-	-	208,069	208,069
-	-	-	-	-	-	1,061	330,495
-	-	-	-	3,673,137	-	-	3,673,137
-	-	-	22,473	-	-	-	22,473
-	-	-	-	-	-	-	322,541
-	-	-	-	-	-	191,206	191,234
814,650	3,997,821	306,802	22,473	3,673,137	2,289,541	402,353	23,131,905
-	-	-	-	126,083	-	-	286,534
737,333	3,596,134	299,608	22,685	3,366,813	2,209,100	577,330	21,920,686
-	-	-	-	-	-	-	320,705
737,333	3,596,134	299,608	22,685	3,492,896	2,209,100	577,330	22,527,925
764,747	3,589,691	291,220	20,068	439,518	2,141,689	217,383	17,949,709

Greene County

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

For the Last Ten Years

	2020	2019	2018	2017
Revenues:				
Property and other county tax	\$ 6,239,452	5,421,753	5,212,426	4,984,339
Local option sales and services tax	432,449	436,180	370,556	400,549
Interest and penalty on property tax	14,570	26,711	19,636	26,965
Intergovernmental	4,621,488	4,318,816	4,185,932	4,388,979
Licenses and permits	58,091	56,244	85,524	61,398
Charges for service	783,680	557,048	617,204	494,141
Use of money and property	137,360	93,518	82,915	51,482
Miscellaneous	539,903	1,465,192	1,371,712	1,210,203
Total	<u>\$ 12,826,993</u>	<u>12,375,462</u>	<u>11,945,905</u>	<u>11,618,056</u>
Expenditures:				
Operating:				
Public safety and legal services	\$ 2,491,953	2,231,060	1,980,150	1,614,199
Physical health and social services	511,320	493,386	421,169	396,540
Mental health	347,652	424,541	371,950	408,236
County environment and education	723,863	694,103	677,502	866,841
Roads and transportation	5,985,472	6,251,632	5,673,318	4,777,195
Governmental services to residents	396,390	385,651	373,299	368,400
Administration	2,096,297	2,007,061	1,828,791	2,137,658
Non-program	64,226	201,493	287,483	143,674
Debt service	164,472	95,485	289,906	201,832
Capital projects	4,896,130	200,344	253,154	408,573
Total	<u>\$ 17,677,775</u>	<u>12,984,756</u>	<u>12,156,722</u>	<u>11,323,148</u>

See accompanying independent auditor's report.

2016	2015	2014	2013	2012	2011
4,940,267	4,895,908	4,876,014	5,050,566	4,651,181	4,964,479
428,566	420,581	363,453	330,372	335,478	334,826
25,995	20,182	23,963	22,814	24,080	32,089
4,655,323	3,790,906	3,557,257	3,480,544	3,756,555	4,767,583
50,014	39,461	50,269	50,377	56,797	49,114
453,684	384,805	388,136	344,026	410,704	410,474
49,158	48,698	49,371	52,357	38,425	47,782
623,894	814,439	576,991	1,031,202	719,594	677,114
11,226,901	10,414,980	9,885,454	10,362,258	9,992,814	11,283,461
1,656,163	1,482,132	1,501,937	1,388,685	1,340,259	1,345,041
428,158	397,514	402,455	399,292	365,858	397,472
282,627	338,947	353,076	319,807	1,422,092	1,226,104
1,034,490	872,788	840,761	804,143	815,295	780,196
5,130,317	4,745,432	4,424,435	3,973,101	3,834,991	4,137,876
365,268	351,230	337,782	454,932	347,980	323,357
1,588,383	1,504,026	1,451,872	1,454,755	1,394,137	1,338,824
220,652	175,000	-	-	26,000	36,692
43,645	90,953	349,820	719,667	224,505	263,106
856,638	207,133	225,210	541,880	654,489	642,159
11,606,341	10,165,155	9,887,348	10,056,262	10,425,606	10,490,827



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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, 2020, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 20, 2021.

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 certain deficiencies in internal control we consider to be material weaknesses and 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 deficiencies described in the accompanying Schedule of Findings as item (A) through (C) to be material weaknesses.

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2020 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.

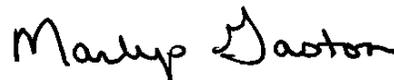
Greene County's Responses to the Findings

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 20, 2021

Greene County
Schedule of Findings
Year ended June 30, 2020

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 and County Treasurer

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 each County office’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, 2020

Responses –

County Treasurer – I am always reviewing our procedures to ensure that we have at least two people viewing and reviewing all transactions. With such a small staff it is always something that will be at the forefront of procedures that need improving. By logging the work, we received by one person and then the work being done by another and then yet again deposits are prepared by a third person there are checks and balances in place.

County Sheriff – We have hired another secretary to aid in the segregation of duties. The new secretary is checking and initialing the reports.

County Recorder – The Recorder's Office tries to segregate duties to the best of our ability with just two staff members.

Conclusions – Responses acknowledged. County Officials should continue to review operating procedures to obtain the maximum internal control possible.

(B) Financial Reporting

Criteria – A deficiency in internal control over financial reporting 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 of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the County's financial statements.

Condition – Material amounts of prepaid expenses and capital assets were not properly recorded in the County's financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

Cause – County policies do not require, and procedures have not been established to require independent review of year end cut-off or other transactions to ensure the County's financial statements are accurate and reliable.

Effect – Lack of policies and procedures resulted in County employees not detecting the errors in the normal course of performing their assigned functions. As a result, material adjustments to the County's financial statements were necessary.

Recommendation – The County should establish procedures to ensure all prepaid expenses and capital assets are identified and properly reported in the County's financial statements.

Greene County

Schedule of Findings

Year ended June 30, 2020

Responses –

County Auditor – We agree with prepaid expenses comment.

County Engineer – The Greene County Engineer’s Office has now established procedures to properly report all capital assets in the appropriate financial instrument.

Conclusions – Responses accepted.

(C) Bank Reconciliation

Criteria – An effective internal control system provides for internal controls related to ensuring proper accounting for all funds by maintaining appropriate accounting records and reconciling bank and book balances.

Condition – The June 30, 2020 reconciliation of the Treasurer’s general ledger balances to the bank balances had unresolved variances. Also, the reconciliations are not reviewed by an independent person.

Cause – Procedures have not been implemented to ensure all accounts are reconciled, variances are resolved, and the amounts recorded in the books and bank accounts are complete and accurate.

Effect – A lack of bank to book reconciliations and unresolved variances can result in unrecorded transactions, undetected errors and the opportunity for misappropriation.

Recommendation – To improve financial accountability and control, monthly bank reconciliation variances should be investigated and resolved timely. In addition, the reconciliations should be reviewed by an independent person and should be documented by the signature or initials of the independent reviewer and the date of review.

Response – I understand and agree with these comments above. I am able to run daily/monthly reports and tie all receipts (credits in bank account) and expenditures (debits to bank account) back to Eden. I believe this variance is now resolved.

Conclusion – Response accepted.

(D) 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.

Greene County

Schedule of Findings

Year ended June 30, 2020

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 – We hired a second secretary to separate duties and check and verify all procedures.

Conclusion – Response acknowledged. Procedures should be in place to compare the validated bank deposit receipt to the cash receipt journal. The review should be documented by the signature or initials of the reviewer and the date of the review.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Greene County
 Schedule of Findings
 Year ended June 30, 2020

Other Findings Related to Required Statutory Reporting:

- (1) Certified Budget – Disbursements during the year ended June 30, 2020 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	\$ 472
James Carman, Secondary Roads Equipment Operator 3, owner of Carman Tree Service	Tree removal/trimming	1,625

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 \$6,000 during the fiscal year.

- (5) Restricted Donor Activity – No transactions were noted between the County, County officials, County employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- (6) 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.
- (7) Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- (8) 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.
- (9) 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).

Greene County

Staff

This audit was performed by:

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Prem Gobin, Senior Auditor
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