



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Auditor of State

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NEWS RELEASE

FOR RELEASE

March 4, 2014

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515/281-5834

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

The County had local tax revenue of \$18,720,473 for the year ended June 30, 2013, which included \$947,843 in tax credits from the state. The County forwarded \$13,399,466 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$5,321,007 of the local tax revenue to finance County operations, a 9.5% increase from the prior year. Other revenues included charges for service of \$1,807,178, operating grants, contributions and restricted interest of \$2,863,462, capital grants, contributions and restricted interest of \$281,783, local option sales tax of \$330,372, unrestricted investment earnings of \$15,513 and other general revenues of \$105,500.

Expenses for County operations for the year ended June 30, 2013 totaled \$10,478,720, a 5.4% decrease from the prior year. Expenses included \$4,671,584 for roads and transportation, \$1,447,323 for public safety and legal services and \$1,422,714 for administration.

A copy of the audit report is available for review in the County Auditor's Office, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1310-0037-B00F.pdf>.

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GREENE COUNTY
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS
JUNE 30, 2013

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Greene County

Officials

(Before January 2013)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Mary Jane Fields	Board of Supervisors	Jan 2013
John Muir	Board of Supervisors	Jan 2013
Guy Richardson	Board of Supervisors	Jan 2013
Thomas Contner	Board of Supervisors	Jan 2015
Dawn Rudolph	Board of Supervisors	Jan 2015
Jane Heun	County Auditor	Jan 2013
Donna Lawson	County Treasurer	Jan 2015
Marcia Tasler	County Recorder	Jan 2015
Thomas F. Heater	County Sheriff	Jan 2013
Nicola J. Martino	County Attorney	Jan 2015
Linda Spearman	County Assessor	Jan 2015

(After January 2013)

Thomas Contner	Board of Supervisors	Jan 2015
Dawn Rudolph	Board of Supervisors	Jan 2015
Mick Burkett	Board of Supervisors	Jan 2017
John Muir	Board of Supervisors	Jan 2017
Guy Richardson	Board of Supervisors	Jan 2017
Jane Heun	County Auditor	Jan 2017
Donna Lawson	County Treasurer	Jan 2015
Marcia Tasler	County Recorder	Jan 2015
Steve Hauptert	County Sheriff	Jan 2017
Nicola J. Martino	County Attorney	Jan 2015
Linda Spearman	County Assessor	Jan 2015

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, 2013, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Greene County as of June 30, 2013, and the respective changes in financial position and, where applicable, 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 and the Schedule of Funding Progress for the Retiree Health Plan on pages 9 through 16 and 48 through 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.


Supplementary Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Greene County's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2012 (which are not presented herein) and expressed unqualified opinions on those financial statements. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 7, 2014 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Greene County's internal control over financial reporting and compliance.


MARY MOSIMAN, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

February 7, 2014

Greene County

MANAGEMENT'S DISCUSSION AND ANALYSIS

Greene County provides this Management's Discussion and Analysis of its annual financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2013. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2013 FINANCIAL HIGHLIGHTS

- Revenues of the County's governmental activities decreased 5.4%, or approximately \$613,000, from fiscal year 2012 to fiscal year 2013. Property tax increased 8.6%, or approximately \$398,000, from fiscal year 2012. Operating grants, contributions and restricted interest decreased approximately \$581,000 and capital grants, contributions and restricted interest decreased approximately \$407,000.
- Total program expenses of the County's governmental activities increased 5.4%, or approximately \$599,000. Mental health expenses decreased approximately \$1,103,000. The greatest program expense increases were in the areas of governmental services to residents (approximately \$64,000, or 18.2%), roads and transportation (approximately \$323,000, or 7.4%) and public safety and legal services approximately (\$97,000, or 7.2%).
- The County's net position increased 1.16%, or approximately \$246,000, from June 30, 2012 to June 30, 2013.

USING THIS ANNUAL REPORT

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

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the County's financial activities.
- The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of 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 statements provide financial 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, as well as presenting the Schedule of Funding Progress for the Retiree Health Plan.
- Supplementary Information provides detailed information about the nonmajor governmental and the individual Agency Funds.

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

The County has three kinds of funds:

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

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

2) A proprietary fund accounts for the County's Internal Service, Employee Group Health Fund. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions.

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. Greene County's combined net position was virtually unchanged from a year ago, increasing from approximately \$21.2 million to approximately \$21.4 million. The analysis below focuses on the changes in the County's net position of governmental activities.

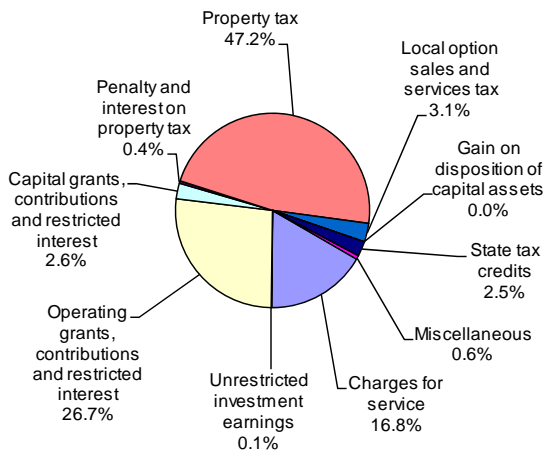
Net Position of Governmental Activities (Expressed in Thousands)		
	June 30,	
	2013	2012
Current and other assets	\$ 11,697	11,724
Capital assets	15,746	16,178
Total assets	<u>27,443</u>	<u>27,902</u>
Long-term liabilities	724	900
Other liabilities	5,285	5,814
Total liabilities	<u>6,009</u>	<u>6,714</u>
Net position:		
Invested in capital assets	15,746	16,178
Restricted	4,250	3,694
Unrestricted	1,438	1,316
Total net position	<u>\$ 21,434</u>	<u>21,188</u>

Net position of Greene County's governmental activities increased approximately \$246,000, or 1.16%. The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment). Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased from approximately \$1,316,000 at June 30, 2012 to approximately \$1,438,000 at the end of this year, an increase of 9.27%.

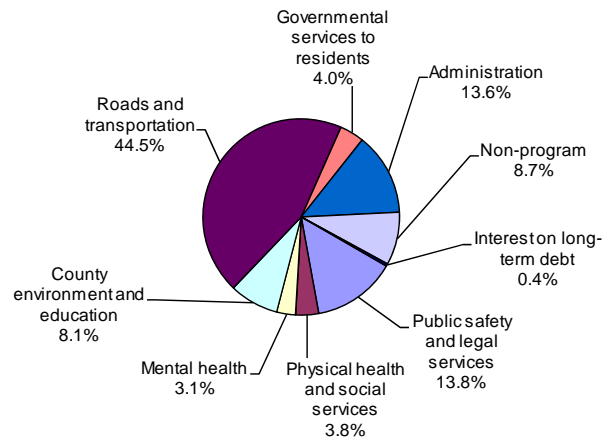
Changes in Net Position of Governmental Activities
(Expressed in Thousands)

	Year ended June 30,	
	2013	2012
Revenues:		
Program revenues:		
Charges for service	\$ 1,807	1,908
Operating grants, contributions and restricted interest	2,863	3,444
Capital grants, contributions and restricted interest	282	689
General revenues:		
Property tax	5,050	4,652
Penalty and interest on property tax	38	20
State tax credits	271	206
Local option sales and services tax	330	336
Unrestricted investment earnings	16	11
Gain on disposition of capital assets	3	17
Miscellaneous	65	55
Total revenues	10,725	11,338
Program expenses:		
Public safety and legal services	1,447	1,350
Physical health and social services	399	367
Mental health	320	1,423
County environment and education	850	914
Roads and transportation	4,672	4,349
Governmental services to residents	415	351
Administration	1,423	1,411
Non-program	916	900
Interest on long-term debt	37	13
Total expenses	10,479	11,078
Change in net position	246	260
Net position beginning of year	21,188	20,928
Net position end of year	\$ 21,434	21,188

Revenues by Source



Expenses by Program



Greene County's net position of governmental activities increased approximately \$246,000 during the year. Revenues for governmental activities decreased approximately \$613,000 from the prior year. Operating grants, contributions and restricted interest decreased approximately \$581,000, primarily due to a decrease in state funding for mental health. Capital grants, contributions and restricted interest decreased approximately \$407,000, primarily due to the Buttrick Creek Bridge project, funded by the Iowa Department of Transportation, winding down and being completed early in the fiscal year. Property tax revenue increased approximately \$398,000, or 8.56%, from the prior year.

Greene County increased property tax levied county-wide \$548,371, or 17.52%, and decreased rural property tax levied \$105,750, or 6.84%. Taxable valuation (without gas and electric utilities) for each and total dollars levied are as follows:

	For Taxes Levied By Fiscal Year	
	2013	2012
County-wide taxable valuation	\$ 570,640,790	548,265,551
Dollars levied county-wide	3,678,271	3,129,900
Rural taxable valuation	411,644,405	391,520,309
Dollars levied rural area only	1,440,755	1,546,505
Total dollars levied	5,119,026	4,676,405

County-wide property tax revenue is budgeted to decrease approximately \$112,000 in fiscal year 2014, while rural services property tax revenue is budgeted to decrease approximately \$65,000. County-wide taxable valuation (without gas and electric utilities) increased in fiscal year 2014 to \$583,673,545, or 2.28%.

INDIVIDUAL MAJOR FUND ANALYSIS

As Greene County completed the year, its governmental funds reported a combined fund balance of approximately \$5.74 million, an increase of approximately \$800,000 over last year's total of approximately \$4.94 million. The following are reasons for the more significant changes in fund balances of the major funds from the prior year:

- General Fund revenues decreased approximately \$31,800 while expenditures increased approximately \$321,000. The ending fund balance decreased approximately \$69,000 from the prior year to \$1,693,823.
- The County has continued to look for ways to effectively manage the cost of mental health services. For the year, expenditures totaled approximately \$320,000, a decrease of 77.5% from the prior year, due primarily to the reorganization of mental health services and the change in the method the State pays for Medicaid reimbursed services. The Special Revenue, Mental Health Fund ending fund balance increased approximately \$388,000 from the prior year ending fund balance to \$279,582.
- The Special Revenue, Rural Services Fund balance increased approximately \$44,000. Revenues decreased approximately \$110,000 while expenditures decreased approximately 171,000 and other financing uses increased \$81,000. During the prior year, the County expended \$160,000 for granular from the Rural Services Fund rather than from the Special Revenue, Secondary Roads Fund.
- Special Revenue, Secondary Roads Fund expenditures increased approximately \$298,000 from the prior year. The largest increase in expenditures occurred within the roadway maintenance program. The Secondary Roads Fund balance at year end increased approximately \$412,000.

- Special Revenue, Drainage Districts Fund revenues increased approximately \$483,000 while expenditures increased approximately \$324,000 from the prior year. Drainage assessment collections increased nearly \$332,000 and a final FEMA payment of nearly \$157,500 contributed to the increased revenues. Construction on a new drainage district (DD190) was also completed. Proceeds from drainage warrants decreased approximately \$85,000. The Drainage Districts Fund balance at year end increased approximately \$142,000.

BUDGETARY HIGHLIGHTS

Over the course of the year, Greene County amended its budget two times. The first amendment was made in February 2013 and resulted in a decrease in budgeted receipts of \$411,770 and a decrease in budgeted disbursements of \$205,746. The amendment included a decrease in intergovernmental receipts of \$427,570, an increase in charges for service of \$3,200 and an increase of miscellaneous receipts of \$12,600. Roads and transportation, administration and capital projects budgeted disbursements increased \$136,128, \$7,000 and \$20,000, respectively, while mental health budgeted disbursements decreased \$368,874. The second amendment was made in May 2013 and resulted in a decrease in budgeted receipts of \$50,725 and an increase in budgeted disbursements of \$184,000. Budgeted penalties, interest and costs on taxes, intergovernmental, licenses and permits, charges for services and use of money and property increased \$4,000, \$3,850, \$625, \$16,500 and \$22,000, respectively, while budgeted property tax and miscellaneous receipts decreased \$74,100 and \$23,600, respectively. Budgeted roads and transportation and governmental services to residents expenditures increased \$200,000 and \$30,000, respectively, while budgeted physical health and social services and county environment and education expenditures decreased \$30,000 and \$16,000, respectively.

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

- County-wide taxable valuation rose approximately \$22.4 million, or 4.08%, over the prior year's taxable valuation. Likewise, rural taxable valuation increased approximately \$20.1 million, or 5.14%.
- Local option sales tax totaling \$411,128, including \$136,128 for road improvements near Grand Junction and \$100,000 for granular purchase, to be disbursed for rural tax relief and rural betterment were transferred to the Special Revenue, Secondary Roads Fund. Local option sales tax was also used to replace a Sheriff's vehicle (\$28,000) and provide funds toward bike trail repair (\$5,000).

The County's cash basis receipts were \$70,723 more than budgeted, a variance of approximately .76%.

Total cash basis disbursements were \$345,859 less than the amended budget, a variance of 3.5%. The largest variance occurred within the administration function where disbursements were approximately \$71,000 less than budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2013, Greene County had approximately \$15.7 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This is a net decrease (including additions and deletions) of approximately \$432,000, or 2.7%, from last year.

Capital Assets of Governmental Activities at Year End (Expressed in Thousands)		
	June 30,	
	2013	2012
Land	\$ 1,464	1,464
Construction in progress	86	594
Buildings and improvements	1,434	1,407
Equipment and vehicles	2,447	2,810
Infrastructure	10,315	9,903
Total	\$ 15,746	16,178
This year's major additions included (in thousands):		
Capital assets contributed by the Iowa Department of Transportation	\$	253
Buttrick Creek Bridge project		847
Conservation park cabin		71
Total	\$	1,171

This year's major additions include completion of the Buttrick Creek Bridge for Secondary Roads totaling approximately \$847,000.

The County had depreciation expense of \$916,763 in fiscal year 2013 and total accumulated depreciation of \$12,944,846 at June 30, 2013. More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

At June 30, 2013, Greene County had \$364,794 of outstanding installment purchase and drainage warrants payable compared to \$594,473 at June 30, 2012, as shown below.

Outstanding Debt of Governmental Activities at Year End		
	June 30,	
	2013	2012
Installment purchase	\$ 41,077	-
Drainage warrants	323,717	594,473
Total	\$ 364,794	594,473

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 2014 budget, tax rates and fees charged for various County activities. County-wide and rural taxable valuations rose slightly more than 2.2% and 2.8%, respectively, over the previous year's valuations. The county-wide/all rural services tax levy was decreased nearly \$.59 per \$1,000 of taxable valuation, mostly due to decreasing the mental health levy by \$.33 per \$1,000 of taxable valuation and the rural levy by \$.25 per \$1,000 of taxable valuation.

During the year, the County completed one cabin at Spring Lake Park and also began work on a second cabin. That project is expected to be completed in fiscal year 2014. Both are expected to enhance the recreational experience at the park for residents and visitors.

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

Exhibit A

Greene County
Statement of Net Position
June 30, 2013

	<u>Governmental Activities</u>
Assets	
Cash, cash equivalents and pooled investments	\$ 4,559,470
Receivables:	
Property tax:	
Delinquent	4,211
Succeeding year	4,863,000
Interest and penalty on property tax	17,036
Accounts	41,405
Accrued interest	614
Drainage assessments	323,717
Due from other governments	460,901
Inventories	1,427,281
Capital assets, net of accumulated depreciation	15,745,606
Total assets	<u>27,443,241</u>
Liabilities	
Accounts payable	377,803
Salaries and benefits payable	22,400
Due to other governments	22,033
Deferred revenue:	
Succeeding year property tax	4,863,000
Long-term liabilities:	
Portion due or payable within one year:	
Installment purchase agreement	7,250
Compensated absences	201,308
Portion due or payable after one year:	
Installment purchase agreement	33,827
Drainage warrants	323,717
Compensated absences	57,944
Net OPEB liability	100,000
Total liabilities	<u>6,009,282</u>
Net Position	
Net investment in capital assets	15,745,606
Restricted for:	
Supplemental levy purposes	363,569
Mental health	277,518
Rural services	445,435
Secondary roads purposes	2,094,089
Drainage improvements	570,621
Other purposes	499,333
Unrestricted	1,437,788
Total net position	<u>\$ 21,433,959</u>

See notes to financial statements.

Greene County

Statement of Activities

Year ended June 30, 2013

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Service	Operating Grants Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
Functions/Programs:					
Governmental activities:					
Public safety and legal services	\$ 1,447,323	185,517	19,629	-	(1,242,177)
Physical health and social services	398,561	13,225	105,992	-	(279,344)
Mental health	320,016	64,325	17,112	-	(238,579)
County environment and education	850,490	88,717	59,350	28,623	(673,800)
Roads and transportation	4,671,584	274,402	2,661,379	253,160	(1,482,643)
Governmental services to residents	415,365	195,135	-	-	(220,230)
Administration	1,422,714	16,894	-	-	(1,405,820)
Non-program	915,784	968,963	-	-	53,179
Interest on long-term debt	36,883	-	-	-	(36,883)
Total	\$10,478,720	1,807,178	2,863,462	281,783	(5,526,297)
General Revenues:					
Property and other county tax levied for general purposes					5,050,369
Penalty and interest on property tax					37,464
Local option sales and services tax					330,372
State tax credits					270,638
Unrestricted investment earnings					15,513
Gain on disposition of capital assets					2,653
Miscellaneous					65,383
Total general revenues					5,772,392
Change in net position					246,095
Net position beginning of year					21,187,864
Net position end of year					\$ 21,433,959

See notes to financial statements.

Greene County
Balance Sheet
Governmental Funds

June 30, 2013

	General	Mental Health
Assets		
Cash, cash equivalents and pooled investments	\$ 1,749,182	278,081
Receivables:		
Property tax:		
Delinquent	3,249	438
Succeeding year	3,091,000	416,000
Interest and penalty on property tax	17,036	-
Accounts	150	-
Accrued interest	608	-
Drainage assessments	-	-
Due from other funds	-	-
Due from other governments	16,513	20,262
Inventories	-	-
Total assets	\$ 4,877,738	714,781
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 37,555	13,457
Salaries and benefits payable	16,681	51
Due to other funds	1,828	-
Due to other governments	17,083	3,144
Deferred revenue:		
Succeeding year property tax	3,091,000	416,000
Other	19,768	2,547
Total liabilities	3,183,915	435,199
Fund balances:		
Nonspendable - inventories	-	-
Restricted for:		
Supplemental levy purposes	365,090	-
Mental health purposes	-	279,582
Rural services purposes	-	-
Secondary roads purposes	-	-
Drainage warrants	-	-
Conservation land acquisition	24,917	-
Other purposes	-	-
Assigned for capital improvement projects	300,000	-
Unassigned	1,003,816	-
Total fund balances	1,693,823	279,582
Total liabilities and fund balances	\$ 4,877,738	714,781

See notes to financial statements.

Special Revenue				
Rural Services	Secondary Roads	Drainage Districts	Nonmajor	Total
463,464	827,935	432,991	419,143	4,170,796
524	-	-	-	4,211
1,356,000	-	-	-	4,863,000
-	-	-	-	17,036
-	380	-	-	530
-	3	-	3	614
-	-	323,717	-	323,717
-	8,125	-	-	8,125
12,104	218,172	138,580	55,270	460,901
-	1,427,281	-	-	1,427,281
1,832,092	2,481,896	895,288	474,416	11,276,211
3,491	223,547	-	-	278,050
5,668	-	-	-	22,400
6,297	-	-	-	8,125
-	856	950	-	22,033
1,356,000	-	-	-	4,863,000
524	-	323,717	-	346,556
1,371,980	224,403	324,667	-	5,540,164
-	1,427,281	-	-	1,427,281
-	-	-	-	365,090
-	-	-	-	279,582
460,112	-	-	-	460,112
-	830,212	-	-	830,212
-	-	570,621	-	570,621
-	-	-	-	24,917
-	-	-	474,416	474,416
-	-	-	-	300,000
-	-	-	-	1,003,816
460,112	2,257,493	570,621	474,416	5,736,047
1,832,092	2,481,896	895,288	474,416	11,276,211

Greene County

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

June 30, 2013

Total governmental fund balances (page 21) \$ 5,736,047

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 \$28,690,452 and the accumulated depreciation is \$12,944,846. 15,745,606

Other long-term assets are not available to pay current year expenditures and, therefore, are deferred in the governmental funds. 346,556

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. 329,796

Long-term liabilities, including installment purchase agreement, drainage warrants, compensated absences and other postemployment benefits payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (724,046)

Net position of governmental activities (page 18) \$ 21,433,959

See notes to financial statements.

Greene County

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

Year ended June 30, 2013

	General	Mental Health
Revenues:		
Property and other county tax	\$ 3,028,999	596,352
Local option sales and services tax	-	-
Interest and penalty on property tax	22,814	-
Intergovernmental	342,525	110,081
Licenses and permits	8,225	-
Charges for service	341,880	-
Use of money and property	23,909	-
Miscellaneous	28,540	1,152
Total revenues	3,796,892	707,585
Expenditures:		
Operating:		
Public safety and legal services	1,015,783	-
Physical health and social services	399,292	-
Mental health	-	319,807
County environment and education	474,503	-
Roads and transportation	-	-
Governmental services to residents	454,019	-
Administration	1,454,755	-
Debt service	-	-
Capital projects	103,055	-
Total expenditures	3,901,407	319,807
Excess (deficiency) of revenues over (under) expenditures	(104,515)	387,778
Other financing sources (uses):		
Installment purchase agreement	80,741	-
Drainage warrants issued	-	-
Operating transfers in	5,000	-
Operating transfers out	(50,000)	-
Total other financing sources (uses)	35,741	-
Change in fund balances	(68,774)	387,778
Fund balances beginning of year	1,762,597	(108,196)
Fund balances end of year	\$ 1,693,823	279,582

See notes to financial statements.

Special Revenue				
Rural Services	Secondary Roads	Drainage Districts	Nonmajor	Total
1,425,215	-	-	-	5,050,566
-	-	-	330,372	330,372
-	-	-	-	22,814
199,723	2,661,379	157,486	9,350	3,480,544
-	42,152	-	-	50,377
-	-	-	2,146	344,026
-	28,410	-	38	52,357
632	232,249	716,805	51,824	1,031,202
1,625,570	2,964,190	874,291	393,730	10,362,258
341,917	-	-	30,985	1,388,685
-	-	-	-	399,292
-	-	-	-	319,807
279,640	-	-	50,000	804,143
-	3,973,101	-	-	3,973,101
-	-	-	913	454,932
-	-	-	-	1,454,755
-	-	719,667	-	719,667
-	-	425,097	13,728	541,880
621,557	3,973,101	1,144,764	95,626	10,056,262
1,004,013	(1,008,911)	(270,473)	298,104	305,996
-	-	-	-	80,741
-	-	412,028	-	412,028
-	1,421,128	-	5,000	1,431,128
(960,000)	-	-	(421,128)	(1,431,128)
(960,000)	1,421,128	412,028	(416,128)	492,769
44,013	412,217	141,555	(118,024)	798,765
416,099	1,845,276	429,066	592,440	4,937,282
460,112	2,257,493	570,621	474,416	5,736,047

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, 2013

Change in fund balances - Total governmental funds (page 25) \$ 798,765

**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 contributed capital assets exceeded depreciation expense in the current year, as follows:

Expenditures for capital assets	\$ 227,935	
Capital assets contributed by the Iowa Department of Transportation	253,160	
Depreciation expense	<u>(916,763)</u>	(435,668)

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. 2,653

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

Property tax	(198)	
Other	<u>(415,972)</u>	(416,170)

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

Issued	(492,769)	
Repaid	<u>722,448</u>	229,679

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	(26,812)	
Other postemployment benefits	<u>(27,200)</u>	(54,012)

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. 120,848

Change in net position of governmental activities (page 19) \$ 246,095

See notes to financial statements.

Greene County
Statement of Net Position
Proprietary Fund
June 30, 2013

	<u>Internal Service - Employee Group Health</u>
Assets	
Cash and cash equivalents	\$ 388,674
Accounts receivable	40,875
Total assets	<u>429,549</u>
Current Liabilities	
Accounts payable	<u>99,753</u>
Net Position	
Unrestricted	<u>\$ 329,796</u>

See notes to financial statements.

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

Year ended June 30, 2013

		<u>Internal Service - Employee Group Health</u>
Operating revenues:		
Reimbursements from operating funds and other governmental units		\$ 968,155
Reimbursements from employees and others		148,052
Insurance reimbursements		340,962
Total operating revenues		<u>1,457,169</u>
Operating expenses:		
Medical claims	\$ 856,543	
Administrative and other fees	23,851	
Insurance premiums	300,437	
Prescription charges	155,490	1,336,321
Operating income		<u>120,848</u>
Net position beginning of year		<u>208,948</u>
Net position end of year		<u><u>\$ 329,796</u></u>
See notes to financial statements.		

Greene County
Statement of Cash Flows
Proprietary Fund
Year ended June 30, 2013

	Internal Service - Employee Group Health
Cash flows from operating activities:	
Cash received from operating funds and other reimbursements	\$ 1,116,207
Cash received from insurance reimbursements	385,974
Cash paid to suppliers for services	(1,389,668)
Net cash provided by operating activities	112,513
Cash and cash equivalents beginning of year	276,161
Cash and cash equivalents end of year	\$ 388,674
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 120,848
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in accounts receivable	45,012
Decrease in accounts payable	(53,347)
Net cash provided by operating activities	\$ 112,513

See notes to financial statements.

Greene County
Statement of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2013

Assets

Cash, cash equivalents and pooled investments:

County Treasurer	\$ 719,237
Other County officials	68,348

Receivables:

Property tax:

Delinquent	16,812
Succeeding year	12,606,000

Accounts	14,820
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Special assessments	31,633
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Total assets	<u>13,456,850</u>
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Liabilities

Accounts payable	857
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Due to other governments	13,405,659
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Trusts payable	38,880
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Compensated absences	11,454
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Total liabilities	<u>13,456,850</u>
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Net position	<u><u>\$ -</u></u>
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See notes to financial statements.

Greene County

Notes to Financial Statements

June 30, 2013

(1) Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

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

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

Jointly Governed Organizations – The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Greene County Assessor’s Conference Board, County Emergency Management Commission and Greene County E911 Service Board. Financial transactions of these organizations are included in the County’s financial statements only to the extent of the County’s fiduciary relationship with the organization and, as such, are reported in the Agency Funds of the County.

The County also participates in the 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, M & M Divide Resource Conservation & Development, Inc. and Greene County Development Corporation.

B. Basis of Presentation

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

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation.

Restricted net position results when constraints placed on the use of net position 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 two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

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

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

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

The Drainage Districts Fund is used to account for drainage district assessment revenues to be used for construction and maintenance costs.

Additionally, the County reports the following funds:

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net 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, Liabilities and Fund Equity

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

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

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 deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2011 assessed property valuations; is for the tax accrual period July 1, 2012 through June 30, 2013 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2012.

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

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

Due from and Due to Other Funds – During the course of its operations, the County has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2013, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

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

Asset Class	Amount
Infrastructure	\$ 50,000
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

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

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

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred revenue consists of unspent grant proceeds as well as property tax receivable and other receivables not collected within sixty days after year end.

Deferred revenue in the Statement of Net Position consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation, compensatory time and sick leave hours for subsequent use or for payment upon termination, death or retirement. Upon retirement, an employee is paid \$10 per day for up to 90 days of accumulated sick leave. A liability is recorded when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2013. 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.

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

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

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

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, 2013 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

Investments are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

At June 30, 2013, the County had the following investments:

Type	Fair Value	Maturity
Federal National Mortgage Association (FNMA) interest only strip	<u>\$ 14</u>	February 2017

In addition, the County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$10,968 pursuant to Rule 2a-7 under the Investment Company Act of 1940. The investment in the Iowa Public Agency Investment Trust 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.

Concentration of credit risk – The County places no limit on the amount that may be invested in any one issuer.

(3) Due From and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2013 is as follows:

Receivable Fund	Payable Fund	Amount
Special Revenue: Secondary Roads	General	\$ 1,828
	Special Revenue: Rural Services	6,297
Total		<u>\$ 8,125</u>

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

(4) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2013 is as follows:

Transfer to	Transfer from	Amount
General	Special Revenue: Local Option Sales Tax	\$ 5,000
Special Revenue: Secondary Roads	General	50,000
	Special Revenue: Rural Services	960,000
	Local Option Sales Tax	411,128
		<u>1,421,128</u>
REAP	Special Revenue: Ethanol Plant Agreement	5,000
Total		<u>\$ 1,431,128</u>

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

(5) Capital Assets

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 1,547,199	-	-	1,547,199
Construction in progress	594,162	339,116	(847,322)	85,956
Total capital assets not being depreciated	<u>2,141,361</u>	<u>339,116</u>	<u>(847,322)</u>	<u>1,633,155</u>
Capital assets being depreciated:				
Buildings	2,448,746	70,524	-	2,519,270
Equipment and vehicles	8,057,386	81,455	(30,238)	8,108,603
Infrastructure, road network	15,582,102	847,322	-	16,429,424
Total capital assets being depreciated	<u>26,088,234</u>	<u>999,301</u>	<u>(30,238)</u>	<u>27,057,297</u>
Less accumulated depreciation for:				
Buildings	1,124,592	43,747	-	1,168,339
Equipment and vehicles	5,247,289	437,674	(22,891)	5,662,072
Infrastructure, road network	5,679,093	435,342	-	6,114,435
Total accumulated depreciation	<u>12,050,974</u>	<u>916,763</u>	<u>(22,891)</u>	<u>12,944,846</u>
Total capital assets being depreciated, net	<u>14,037,260</u>	<u>82,538</u>	<u>(7,347)</u>	<u>14,112,451</u>
Governmental activities capital assets, net	<u>\$ 16,178,621</u>	<u>421,654</u>	<u>(854,669)</u>	<u>15,745,606</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 55,777
County environment and education	43,355
Roads and transportation	798,729
Governmental services to residents	1,701
Administration	17,201
Total depreciation expense - governmental activities	<u>\$ 916,763</u>

(6) Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2013 is as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
General	Services	\$ 17,083
Special Revenue:		
Mental Health	Services	3,144
Secondary Roads	Services	856
Drainage Districts	Services	950
		<u>4,950</u>
Total for governmental funds		<u>\$ 22,033</u>
Agency:		
County Assessor	Collections	\$ 566,920
Schools		7,571,886
Community Colleges		503,489
Corporations		2,432,872
Auto License and Use Tax		223,419
County Hospital		1,592,939
All other		514,134
Total for agency funds		<u>\$ 13,405,659</u>

(7) Changes in Long-Term Liabilities

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

	<u>Installment</u>	<u>Drainage</u>	<u>Compen-</u>	<u>Net</u>	
	<u>Purchase</u>	<u>Warrants</u>	<u>sated</u>	<u>OPEB</u>	
	<u>Agreement</u>		<u>Absences</u>	<u>Liability</u>	<u>Total</u>
Balance beginning of year	\$ -	594,473	232,440	72,800	899,713
Increases	80,741	412,028	270,094	35,400	798,263
Decreases	39,664	682,784	243,282	8,200	973,930
Balance end of year	<u>\$ 41,077</u>	<u>323,717</u>	<u>259,252</u>	<u>100,000</u>	<u>724,046</u>
Due within one year	<u>\$ 7,250</u>	<u>-</u>	<u>201,308</u>	<u>-</u>	<u>208,558</u>

Installment Purchase Agreement

The County has entered into a no interest installment purchase agreement to purchase a vote tabulation system. A summary of the installment purchase agreement is as follows:

<u>Year</u>	
<u>Ending</u>	<u>Principal</u>
<u>June 30,</u>	
2014	\$ 7,250
2015	16,914
2016	16,913
Total	<u>\$ 41,077</u>

Drainage Warrants

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

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

(8) Contingent Liabilities

E911 Loan Agreement

On November 11, 2005, the E911 Service Board and the County, as cosigner on the note, entered into a loan agreement to borrow up to \$243,000 from Home State Bank for the purchase of Digital Data and Digital Products. The loan agreement is to be repaid in 10 annual installments of \$35,000, including interest at 4.80% per annum, beginning June 1, 2007. During the year ended June 30, 2013, the E911 Service Board paid principal of \$37,896 and interest of \$2,104 on the loan, for a total of \$40,000. The balance outstanding at June 30, 2013 is \$7,007.

On May 17, 2013, the E911 Service Board and the County, as cosigner on the note, entered into a loan agreement to borrow \$141,000 from Home State Bank to be used to update radio computers, software, switching equipment and to update database computers and software. The loan agreement is to be repaid in four annual installments of \$32,000, beginning June 1, 2014, and one payment of \$23,492 on June 1, 2018, including interest at 2.50% per annum. During the year ended June 30, 2013 no payments were made.

The County is contingently liable on the \$148,007 of notes outstanding at June 30, 2013. Since the interest and note principal is currently paid from E911 Service Board revenues, this liability has not been recorded in the Statement of Net Position. However, since the County has cosigned the note, if the revenues of the E911 Service Board are not adequate, a tax may be levied on all taxable property in the County to repay the note.

The transactions for this loan are accounted for in an Agency Fund. The assets and liabilities of the E911 Service Board Fund, an Agency Fund included as part of Other Agency Funds, are reported on the modified accrual basis. Accordingly, the assets purchased and the bank note payable by the E911 Service Board have not been reported in the Agency, E911 Service Board Fund.

(9) Pension and Retirement Benefits

The County contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Most regular plan members are required to contribute 5.78% of their annual covered salary and the County is required to contribute 8.67% of covered salary. Certain employees in special risk occupations and the County contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2013, 2012 and 2011 were \$296,557, \$269,035 and \$237,664, respectively, equal to the required contributions for each year.

(10) Other Postemployment Benefits (OPEB)

Plan Description – The County operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. There are 75 active and two retired members in the plan. Retired participants must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a partially self-funded medical plan administered by First Administrators. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Funding Policy – The contribution requirements of plan members are established and may be amended by the County. The County currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation – The County’s annual OPEB cost is calculated based on the annual required contribution (ARC) of the County, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding which, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the County’s annual OPEB cost for the year ended June 30, 2013, the amount actually contributed to the plan and changes in the County’s net OPEB obligation:

Annual required contribution	\$ 35,400
Interest on net OPEB obligation	2,900
Adjustment to annual required contribution	(2,900)
Annual OPEB cost	<u>35,400</u>
Contributions made	(8,200)
Increase in net OPEB obligation	<u>27,200</u>
Net OPEB obligation beginning of year	<u>72,800</u>
Net OPEB obligation end of year	<u><u>\$ 100,000</u></u>

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

For the year ended June 30, 2013, the County contributed \$8,200 to the medical plan. Plan members eligible for benefits contributed \$12,725, or 61% of the premium costs.

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation are summarized as follows:

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 31,000	21.0%	\$ 50,800
2012	32,800	32.9	72,800
2013	35,400	23.2	100,000

Funded Status and Funding Progress – As of July 1, 2012, the most recent actuarial valuation date for the period July 1, 2012 through June 30, 2013, the actuarial accrued liability was \$289,200, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$289,200. The covered payroll (annual payroll of active employees covered by the plan) was \$3,122,000 and the ratio of the UAAL to covered payroll was 9.3%. As of June 30, 2013, there were no trust fund assets.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for the Retiree Health Plan, presented as Required Supplementary Information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2012 actuarial valuation date, the unit credit actuarial cost method was used. The actuarial assumptions include a 4% discount rate based on the County's funding policy. The projected annual medical trend rate is 10%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 0.5% each year until reaching the 5% ultimate trend rate. An inflation rate of 0% is assumed for the purpose of this computation.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2010 and applying termination factors used in the IPERS Actuarial Report as of June 30, 2010.

Projected claim costs of the medical plan are \$1,100 per month for retirees less than age 65. The salary increase rate was assumed to be 3% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

(11) Risk Management

The County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 679 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board no to exceed 300% of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

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

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's contributions to the Pool for the year ended June 30, 2013 were \$140,478.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured in an amount not to exceed \$2,650,000 per claim. For members requiring specific coverage from \$3,000,000 to \$15,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location, with excess coverage reinsured by the Lexington Insurance Company.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2013, no liability has been recorded in the County's financial statements. As of June 30, 2013, settled claims have not exceeded the risk pool or reinsurance coverage since the pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their casualty capital contributions. If a member withdraws after the sixth year, the member is refunded 100% of its casualty capital contributions. However, the refund is reduced by the amount of capital distributions previously received by the withdrawing member and an amount equal to the annual casualty operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

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

(12) 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 First Administrators. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of \$30,000. 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 First Administrators from the Employee Group Health Fund. The County’s contribution for the year ended June 30, 2013 was \$968,155.

Amounts payable from the Employee Group Health Fund at June 30, 2013 total \$99,753, 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 reserve was \$329,796 at June 30, 2013 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	\$ 153,100
Incurred claims (including claims incurred but not reported at June 30, 2013)	1,012,033
Payments on claims during the year	(1,065,380)
Unpaid claims end of year	<u>\$ 99,753</u>

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, 2013

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	\$ 5,354,833	-	5,354,833
Interest and penalty on property tax	22,691	-	22,691
Intergovernmental	3,309,453	18,907	3,290,546
Licenses and permits	56,174	-	56,174
Charges for service	343,339	-	343,339
Use of money and property	52,006	-	52,006
Miscellaneous	1,025,505	716,805	308,700
Total receipts	<u>10,164,001</u>	<u>735,712</u>	<u>9,428,289</u>
Disbursements:			
Public safety and legal services	1,356,998	-	1,356,998
Physical health and social services	401,422	-	401,422
Mental health	711,668	-	711,668
County environment and education	764,141	-	764,141
Roads and transportation	4,354,484	-	4,354,484
Governmental services to residents	373,796	-	373,796
Administration	1,451,782	-	1,451,782
Non-program	50,000	-	50,000
Debt service	36,883	36,883	-
Capital projects	599,414	490,543	108,871
Total disbursements	<u>10,100,588</u>	<u>527,426</u>	<u>9,573,162</u>
Excess (deficiency) of receipts over (under) disbursements	63,413	208,286	(144,873)
Other financing uses	(270,756)	(270,756)	-
Deficiency of receipts under disbursements and other financing uses	(207,343)	(62,470)	(144,873)
Balance beginning of year	4,378,139	495,461	3,882,678
Balance end of year	<u>\$ 4,170,796</u>	<u>432,991</u>	<u>3,737,805</u>

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Net
		Variance
5,461,426	5,387,326	(32,493)
5,000	9,000	13,691
3,660,049	3,236,329	54,217
55,225	55,850	324
346,625	366,325	(22,986)
28,036	50,036	1,970
263,700	252,700	56,000
9,820,061	9,357,566	70,723
1,388,604	1,388,604	31,606
475,488	445,488	44,066
1,145,013	776,139	64,471
817,223	801,223	37,082
4,076,954	4,413,082	58,598
366,185	396,185	22,389
1,515,300	1,522,300	70,518
50,000	50,000	-
-	-	-
106,000	126,000	17,129
9,940,767	9,919,021	345,859
(120,706)	(561,455)	416,582
-	-	-
(120,706)	(561,455)	416,582
3,272,802	3,857,510	25,168
3,152,096	3,296,055	441,750

Greene County

Budgetary Comparison Schedule - Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2013

	Governmental Funds		
	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis
Revenues	\$ 10,164,001	198,257	10,362,258
Expenditures	10,100,588	(44,326)	10,056,262
Net	63,413	242,583	305,996
Other financing sources (uses), net	(270,756)	763,525	492,769
Beginning fund balances	4,378,139	559,143	4,937,282
Ending fund balances	\$ 4,170,796	1,565,251	5,736,047

See accompanying independent auditor's report.

Greene County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2013

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

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except blended component units, the Internal Service Fund and Agency Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund and the Special Revenue Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments decreased budgeted disbursements by \$21,746. The budget amendments are reflected in the final budgeted amounts.

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

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

Greene County

Schedule of Funding Progress for the
Retiree Health Plan
(In Thousands)

Required Supplementary Information

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	Jul 1, 2009	-	\$ 262	262	0.0%	\$ 2,729	9.6%
2011	Jul 1, 2009	-	262	262	0.0	2,882	9.1
2012	Jul 1, 2009	-	262	262	0.0	2,984	8.8
2013	Jul 1, 2012	-	289	289	0.0	3,122	9.3

See Note 10 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

See accompanying independent auditor's report.

Supplementary Information

Greene County
 Combining Balance Sheet
 Nonmajor Governmental Funds

June 30, 2013

	County Recorder's Records		
	Management	REAP	Forfeiture
Assets			
Cash and pooled investments	\$ 5,162	18,411	3,226
Accrued interest receivable	1	2	-
Due from other governments	-	-	-
Total assets	\$ 5,163	18,413	3,226
Fund Balances			
Fund balances:			
Restricted for other purposes	\$ 5,163	18,413	3,226

See accompanying independent auditor's report.

Special Revenue			
Local Option Sales Tax	K-9	Ethanol Plant Agreement	Total
309,332	1,027	81,985	419,143
-	-	-	3
55,270	-	-	55,270
364,602	1,027	81,985	474,416
364,602	1,027	81,985	474,416

Greene County

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

Year ended June 30, 2013

	County Recorder's Records		
	Management	REAP	Forfeiture
Revenues:			
Local option sales and services tax	\$ -	-	-
Intergovernmental	-	9,350	-
Charges for service	2,146	-	-
Use of money and property	8	30	-
Miscellaneous	-	-	1,624
Total revenues	2,154	9,380	1,624
Expenditures:			
Operating:			
Public safety and legal services	-	-	2,459
County environment and education	-	-	-
Governmental services to residents	913	-	-
Capital projects	-	13,728	-
Total expenditures	913	13,728	2,459
Excess (deficiency) of revenues over (under) expenditures	1,241	(4,348)	(835)
Other financing sources (uses):			
Operating transfers in	-	5,000	-
Operating transfers out	-	-	-
Total other financing sources (uses)	-	5,000	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,241	652	(835)
Fund balances beginning of year	3,922	17,761	4,061
Fund balances end of year	\$ 5,163	18,413	3,226

See accompanying independent auditor's report.

Special Revenue			
Local Option Sales Tax	K-9	Ethanol Plant Agreement	Total
330,372	-	-	330,372
-	-	-	9,350
-	-	-	2,146
-	-	-	38
-	200	50,000	51,824
330,372	200	50,000	393,730
28,000	526	-	30,985
-	-	50,000	50,000
-	-	-	913
-	-	-	13,728
28,000	526	50,000	95,626
302,372	(326)	-	298,104
-	-	-	5,000
(416,128)	-	(5,000)	(421,128)
(416,128)	-	(5,000)	(416,128)
(113,756)	(326)	(5,000)	(118,024)
478,358	1,353	86,985	592,440
364,602	1,027	81,985	474,416

Greene County
Combining Schedule of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2013

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash and pooled investments:				
County Treasurer	\$ -	2,224	287,424	103,234
Other County officials	13,303	-	-	-
Receivables:				
Property tax:				
Delinquent	-	181	306	7,652
Succeeding year	-	172,000	291,000	7,461,000
Accounts	14,820	-	-	-
Special assessments	-	-	-	-
Total assets	\$ 28,123	174,405	578,730	7,571,886
Liabilities				
Accounts payable	\$ -	-	356	-
Due to other governments	25,249	174,405	566,920	7,571,886
Trusts payable	2,874	-	-	-
Compensated absences	-	-	11,454	-
Total liabilities	\$ 28,123	174,405	578,730	7,571,886

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	County Hospital	Other	Total
5,959	25,530	2,946	1,380	223,419	20,288	46,833	719,237
-	-	-	-	-	-	55,045	68,348
530	6,342	148	-	-	1,651	2	16,812
497,000	2,401,000	211,000	-	-	1,571,000	2,000	12,606,000
-	-	-	-	-	-	-	14,820
-	-	-	31,633	-	-	-	31,633
503,489	2,432,872	214,094	33,013	223,419	1,592,939	103,880	13,456,850
-	-	-	-	-	-	501	857
503,489	2,432,872	214,094	33,013	223,419	1,592,939	67,373	13,405,659
-	-	-	-	-	-	36,006	38,880
-	-	-	-	-	-	-	11,454
503,489	2,432,872	214,094	33,013	223,419	1,592,939	103,880	13,456,850

Greene County

Combining Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds

Year ended June 30, 2013

Assets and Liabilities	County Offices	Agricultural Extension Education	County Assessor	Schools
Balances beginning of year	\$ 32,718	171,400	539,972	7,874,867
Additions:				
Property and other county tax	-	171,748	291,262	7,469,449
State tax credits	-	9,030	15,104	418,483
E911 surcharge	-	-	-	-
Office fees and collections	274,618	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	188,450	-	-	-
Miscellaneous	-	-	344	-
Total additions	463,068	180,778	306,710	7,887,932
Deductions:				
Agency remittances:				
To other funds	117,056	-	-	-
To other governments	158,607	177,773	267,952	8,190,913
Trusts paid out	192,000	-	-	-
Total deductions	467,663	177,773	267,952	8,190,913
Balances end of year	\$ 28,123	174,405	578,730	7,571,886

See accompanying independent auditor's report.

Community Colleges	Corpora- tions	Townships	City Special Assess- ments	Auto License and Use Tax	County Hospital	Other	Total
458,816	2,281,488	214,012	28,453	242,416	1,720,809	96,079	13,661,030
497,566	2,506,422	211,281	-	-	1,572,677	1,856	12,722,261
24,179	116,340	11,579	-	-	82,391	99	677,205
-	-	-	-	-	-	102,619	102,619
-	-	-	-	-	-	-	274,618
-	-	-	-	3,232,674	-	-	3,232,674
-	-	-	34,904	-	-	-	34,904
-	-	-	-	-	-	11,631	200,081
-	-	-	-	-	-	195,970	196,314
521,745	2,622,762	222,860	34,904	3,232,674	1,655,068	312,175	17,440,676
-	-	-	-	123,503	-	-	240,559
477,072	2,471,378	222,778	30,344	3,128,168	1,782,938	292,274	17,200,197
-	-	-	-	-	-	12,100	204,100
477,072	2,471,378	222,778	30,344	3,251,671	1,782,938	304,374	17,644,856
503,489	2,432,872	214,094	33,013	223,419	1,592,939	103,880	13,456,850

Greene County

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

For the Last Ten Years

	2013	2012	2011
Revenues:			
Property and other county tax	\$ 5,050,566	4,651,181	4,964,479
Local option sales and services tax	330,372	335,478	334,826
Interest and penalty on property tax	22,814	24,080	32,089
Intergovernmental	3,480,544	3,756,555	4,767,583
Licenses and permits	50,377	56,797	49,114
Charges for service	344,026	410,704	410,474
Use of money and property	52,357	38,425	47,782
Miscellaneous	1,031,202	719,594	677,114
Total	\$ 10,362,258	9,992,814	11,283,461
Expenditures:			
Operating:			
Public safety and legal services	\$ 1,388,685	1,340,259	1,345,041
Physical health and social services	399,292	365,858	397,472
Mental health	319,807	1,422,092	1,226,104
County environment and education	804,143	815,295	780,196
Roads and transportation	3,973,101	3,834,991	4,137,876
Governmental services to residents	454,932	347,980	323,357
Administration	1,454,755	1,394,137	1,338,824
Non-program	-	26,000	36,692
Debt service	719,667	224,505	263,106
Capital projects	541,880	654,489	642,159
Total	\$ 10,056,262	10,425,606	10,490,827

See accompanying independent auditor's report.

Modified Accrual Basis						
2010	2009	2008	2007	2006	2005	2004
4,438,624	4,220,867	3,956,141	4,069,403	3,986,253	3,640,552	3,877,732
359,816	356,170	281,558	127,529	-	-	-
26,982	26,415	24,310	24,353	35,501	29,058	27,398
4,010,169	4,300,228	3,746,259	3,796,036	3,914,161	3,441,682	3,694,585
40,939	41,346	43,750	37,922	35,578	32,157	17,760
345,286	351,902	328,665	339,564	343,893	318,495	331,423
45,248	70,207	161,155	198,307	122,668	80,580	44,253
618,629	358,326	577,460	297,837	252,281	185,920	218,601
9,885,693	9,725,461	9,119,298	8,890,951	8,690,335	7,728,444	8,211,752
1,333,360	1,225,669	1,155,960	1,073,381	1,019,817	964,140	1,039,041
432,946	340,039	269,015	275,513	259,664	250,503	279,004
1,087,399	1,240,352	1,437,086	1,362,286	1,276,025	1,189,201	1,195,522
839,485	734,774	1,078,820	964,617	739,948	691,979	648,394
4,315,317	3,700,267	3,950,150	3,399,286	3,325,074	2,999,673	3,368,306
318,275	321,528	291,266	273,210	340,250	271,529	234,034
1,247,531	1,185,034	1,100,080	1,213,871	1,086,544	1,044,304	991,378
-	-	-	4,296	28,753	7,601	12,717
218,979	137,275	147,472	12,604	369,683	48,197	59,597
367,625	477,540	370,306	223,843	425,752	222,409	601,710
10,160,917	9,362,478	9,800,155	8,802,907	8,871,510	7,689,536	8,429,703

Greene County



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Independent Auditor's Report on Internal Control
over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Officials of Greene County:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Greene County, Iowa, as of and for the year ended June 30, 2013, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 7, 2014.

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 were not identified. However, as described in the accompanying Schedule of Findings, we identified a deficiency in internal control we consider to be a material weakness and other deficiencies we consider to be significant deficiencies.

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

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

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2013 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.


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.


MARY MOSIMAN, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

February 7, 2014

Greene County

Schedule of Findings

Year ended June 30, 2013

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

- (A) Segregation of Duties – During our review of internal control, the existing procedures are evaluated in order to determine incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and, therefore, maximizes the accuracy of the County’s financial statements. Generally, one or 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 Extension Office
(2) Indication of independent review of the bank reconciliation was not evidenced by the signature or initials of the preparer and the reviewer and the date of the review.	County Sheriff

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.

Responses –

County Treasurer – I will continue to work on segregation of duties in the operation of the office.

County Sheriff – In the future, I will be asking for an independent person, outside of the Sheriff’s Office, to review the financial transactions, reconciliations and reports pertaining to the Sheriff’s Office.

County Extension Office – We will continue to work with the number of staff we have to segregate duties as best we can and will periodically evaluate our procedures for maximum control and efficiency.

Conclusions – Responses accepted.

Greene County

Schedule of Findings

Year ended June 30, 2013

- (B) Compensated Absences – Certain employees have accumulated vacation and compensatory time hours in excess of the maximum hours allowed to be carried forward to the next year under the County’s personnel policy and union agreement.

Recommendation – The County should comply with its personnel policy and union agreement.

Response – We agree and will continue to work to adhere to our policy.

Conclusion – Response accepted.

- (C) County Sheriff – After taking the deposit to the bank, the bank deposit receipt received from the bank should be compared to the cash receipt journal to ensure proper recording. The Sheriff’s Office does not compare the deposit receipt to the cash receipt journal.

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

Response – In the future, we will be comparing the cash receipt journal to the bank deposit receipts. This will be done by several individuals within the Sheriff’s Office and will be initialed by each specific reviewer at that time.

Conclusion – Response accepted.

- (D) County Extension Office Receipts – Good internal control requires depositing cash timely and posting receipts to the cash journal daily. The County Extension Office makes deposits weekly and receipts are posted to the cash receipts journal at the time the deposit is made.

Recommendation – The County Extension Office should develop policies and procedures to ensure receipts are posted to the cash receipts journal when receipts are received and deposits are made on a timely basis.

Response – With a part-time off-site bookkeeper, it is difficult to post receipts directly to the accounting program on a daily basis. As an alternative, we keep a daily journal of receipts on-site, which is then electronically submitted to our bookkeeper with each deposit for entry to the accounting program. The journal is also used to assist with balancing the cash box before each deposit. We will work to determine how we can improve journal posting procedures without incurring significantly more staff time and/or expense. Additionally, we will ensure staff more strictly follows our current fiscal policy which states deposits should be made weekly and/or at any point in time the total currency is in excess of \$500.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Greene County

Schedule of Findings

Year ended June 30, 2013

Other Findings Related to Required Statutory Reporting:

- (1) Certified Budget – Disbursements during the year ended June 30, 2013 did not exceed the amounts budgeted by function.
- (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	\$814
Russ Cousins and Greg Ruth, Owners of C&R Construction, father and husband of Treasurer’s Office employee Maralie Ruth	Conservation Department construction project	\$8,066

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

The transaction with C&R Construction for the Conservation Department construction project does not appear to represent a conflict of interest in accordance with Chapter 331.342(2)(d) since Maralie Ruth’s employment is not directly affected as a result of the contract and the duties of her employment do not directly involve procurement or preparation of any part of the contract.

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

Greene County

Schedule of Findings

Year ended June 30, 2013

- (8) Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- (9) County Extension Office – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an Extension Council separate and distinct from County operations and, consequently, is not included in Exhibits A or B.

Disbursements during the year ended June 30, 2013 for the County Extension Office did not exceed the amount budgeted.

Greene County

Staff

This audit was performed by:

Brian R. Brustkern, CPA, Manager
Leanna J. Showman, Staff Auditor
Jesse J. Probasco, Staff Auditor
Jeremy L. Krajicek, Assistant Auditor
Ryan J. Magill, Assistant Auditor
Ryan A. Pick, Auditor Intern

A handwritten signature in black ink that reads "Andrew E. Nielsen". The signature is written in a cursive style with a large initial "A" and "N".

Andrew E. Nielsen, CPA
Deputy Auditor of State