



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

Mary Mosiman, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

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**NEWS RELEASE**

FOR RELEASE

April 29, 2016

Contact: Andy Nielsen  
515/281-5834

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

The County had local tax revenue of \$18,667,132 for the year ended June 30, 2015, which included \$1,365,626 in tax credits from the state. The County forwarded \$13,424,845 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$5,242,287 of the local tax revenue to finance County operations, a 1.9% increase over the prior year. Other revenues included charges for service of \$1,355,429, operating grants, contributions and restricted interest of \$3,445,608, capital grants, contributions and restricted interest of \$30,000, local option sales and services tax of \$420,581, unrestricted investment earnings of \$11,337 and other general revenues of \$208,362.

Expenses for County operations for the year ended June 30, 2015 totaled \$10,603,591, a 7.6% increase over the prior year. Expenses included \$5,184,332 for roads and transportation, \$1,479,781 for administration and \$1,427,739 for public safety and legal services.

A copy of the audit report is available for review in the County Auditor's Office, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1510-0037-B00F>.

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**GREENE COUNTY**  
**INDEPENDENT AUDITOR'S REPORTS**  
**BASIC FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FINDINGS**  
**JUNE 30, 2015**

## Table of Contents

		<u>Page</u>
Officials		3
Independent Auditor’s Report		5-7
Management’s Discussion and Analysis		9-15
Basic Financial Statements:	<u>Exhibit</u>	
Government-wide Financial Statements:		
Statement of Net Position	A	18
Statement of Activities	B	19
Governmental Fund Financial Statements:		
Balance Sheet	C	20-21
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	D	23
Statement of Revenues, Expenditures and Changes in Fund Balances	E	24-25
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	F	26
Proprietary Fund Financial Statements:		
Statement of Net Position	G	27
Statement of Revenues, Expenses and Changes in Fund Net Position	H	28
Statement of Cash Flows	I	29
Fiduciary Fund Financial Statement:		
Statement of Fiduciary Assets and Liabilities – Agency Funds	J	30
Notes to Financial Statements		31-51
Required Supplementary Information:		
Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances – Budget and Actual (Cash Basis) – All Governmental Funds		54-55
Budget to GAAP Reconciliation		56
Notes to Required Supplementary Information – Budgetary Reporting		57
Schedule of the County’s Proportionate Share of the Net Pension Liability		59
Schedule of County Contributions		60-61
Notes to Required Supplementary Information – Pension Liability		62-63
Schedule of Funding Progress for the Retiree Health Plan		64
Supplementary Information:	<u>Schedule</u>	
Nonmajor Governmental Funds:		
Combining Balance Sheet	1	66-67
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	2	68-69
Agency Funds:		
Combining Schedule of Fiduciary Assets and Liabilities	3	70-71
Combining Schedule of Changes in Fiduciary Assets and Liabilities	4	72-73
Schedule of Revenues by Source and Expenditures by Function – All Governmental Funds	5	74-75
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 <u>Government Auditing Standards</u>		77-78
Schedule of Findings		79-81
Staff		82

**Greene County**

**Officials**

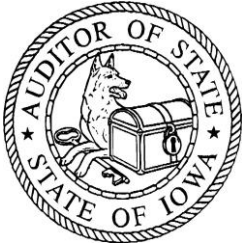
**(Before January 2015)**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
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

**(After January 2015)**

Mick Burkett	Board of Supervisors	Jan 2017
John Muir	Board of Supervisors	Jan 2017
Guy Richardson	Board of Supervisors	Jan 2017
Thomas Contner	Board of Supervisors	Jan 2019
Dawn Rudolph	Board of Supervisors	Jan 2019
Jane Heun	County Auditor	Jan 2017
Donna Lawson	County Treasurer	Jan 2019
Marcia Tasler	County Recorder	Jan 2019
Steve Hauptert	County Sheriff	Jan 2017
Nicola J. Martino	County Attorney	Jan 2019
Linda Spearman	County Assessor	Jan 2021

**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, 2015, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Greene County as of June 30, 2015, and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

## Emphasis of a Matter

As discussed in Note 14, Greene County adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27. Our opinions are not modified with respect to this matter.

## Other Matters

### *Required Supplementary Information*

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County Contributions and the Schedule of Funding Progress for the Retiree Health Plan on pages 9 through 15 and 54 through 64 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, 2014 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements.


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



Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 12, 2016 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

April 12, 2016

**Greene County**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

### 2015 FINANCIAL HIGHLIGHTS

- The County implemented Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27, during fiscal year 2015. The beginning net position for governmental activities was restated \$2,285,587 to retroactively report the net pension liability as of July 1, 2014 and deferred outflows of resources related to contributions made after June 30, 2013 but prior to July 1, 2014. Pension expense for fiscal year 2014 and the net pension liability, deferred outflows of resources and deferred inflows of resources at June 30, 2014 were not restated because the information needed to restate those amounts was not available.
- Revenues of the County's governmental activities decreased 5.4%, or approximately \$610,000, from fiscal year 2014 to fiscal year 2015. Property tax increased less than 1%, or approximately \$21,000, over fiscal year 2014. Operating grants, contributions and restricted interest increased approximately \$291,000 and capital grants, contributions and restricted interest decreased approximately \$1,397,000.
- Total program expenses of the County's governmental activities increased 7.6%, or approximately \$747,000. The largest program expense increases were in the areas of roads and transportation (approximately \$499,000, or 10.7%), non-program (approximately \$261,000, or 88.8%), and administration (approximately \$116,000, or 8.5%). Public safety and legal services expenses decreased approximately \$75,000, or 5.0%, mental health expenses decreased approximately \$15,000, or 4.3%, and interest on long-term debt decreased approximately \$23,000, or 88.5%.
- The County's net position increased less than 1%, or approximately \$110,000, over the restated June 30, 2014 balance.

### USING THIS ANNUAL REPORT

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

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the County's financial activities.
- The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Greene County as a whole and present an overall view of the County's finances.
- The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Greene County's operations in more detail than the government-wide financial statements by providing information about the most significant funds. The remaining financial statements provide information about activities for which Greene County acts solely as an agent or custodian for the benefit of those outside of County government (Agency Funds).

- Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.
- Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year, the County's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of 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, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

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

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

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

### *Fund Financial Statements*

The County has three kinds of funds:

1) Governmental funds account for most of the County's basic services. These focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental funds include: 1) the General Fund and 2) the Special Revenue Funds, such as Mental Health, Rural Services, 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 governmental fund financial statements follow the governmental fund financial statements.

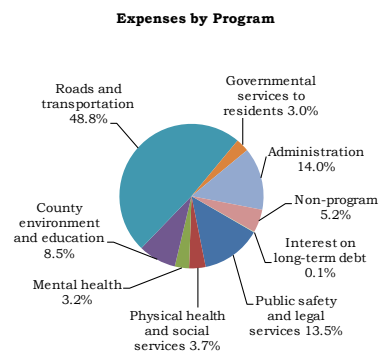
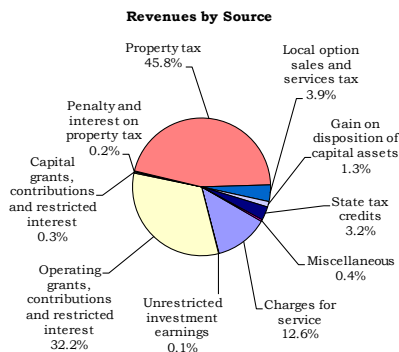
## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. Greene County's combined net position decreased from a year ago, decreasing from approximately \$22.9 million to approximately \$20.7 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,	
	2015	2014 (Not Restated)
Current and other assets	\$ 12,079	11,849
Capital assets	16,475	16,874
Total assets	<u>28,554</u>	<u>28,723</u>
Deferred outflows of resources	408	-
Long-term liabilities	2,070	499
Other liabilities	499	445
Total liabilities	<u>2,569</u>	<u>944</u>
Deferred inflows of resources	5,667	4,878
Net position:		
Invested in capital assets	16,475	16,874
Restricted	4,557	4,354
Unrestricted	(306)	1,673
Total net position	<u>\$ 20,726</u>	<u>22,901</u>

Prior to restatement, Greene County's total net position decreased approximately \$2,175,000, or 9.5%. The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment). Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased from approximately \$1,673,000 at June 30, 2014 to a deficit of approximately \$306,000 at the end of this year, a decrease of 118.3%. The unrestricted net position deficit is due to reporting the net pension liability as of July 1, 2014.

Changes in Net Position of Governmental Activities (Expressed in Thousands)		
	Year ended June 30,	
	2015	(Not Restated) 2014
<b>Revenues:</b>		
<b>Program revenues:</b>		
Charges for service	\$ 1,355	1,112
Operating grants, contributions and restricted interest	3,446	3,155
Capital grants, contributions and restricted interest	30	1,427
<b>General revenues:</b>		
Property tax	4,897	4,876
Penalty and interest on property tax	25	25
State tax credits	346	271
Local option sales and services tax	421	363
Unrestricted investment earnings	11	10
Gain on disposition of capital assets	137	13
Miscellaneous	46	72
<b>Total revenues</b>	<b>10,714</b>	<b>11,324</b>
<b>Program expenses:</b>		
Public safety and legal services	1,428	1,503
Physical health and social services	396	403
Mental health	336	351
County environment and education	899	900
Roads and transportation	5,184	4,685
Governmental services to residents	323	331
Administration	1,480	1,364
Non-program	555	294
Interest on long-term debt	3	26
<b>Total expenses</b>	<b>10,604</b>	<b>9,857</b>
<b>Change in net position</b>	<b>110</b>	<b>1,467</b>
<b>Net position beginning of year, as restated</b>	<b>20,616</b>	<b>21,434</b>
<b>Net position end of year</b>	<b>\$ 20,726</b>	<b>22,901</b>



Overall, Greene County's revenues for governmental activities decreased approximately \$610,000 from the prior year and expenses increased \$747,000. Capital grants, contributions and restricted interest increased approximately \$1,397,000, primarily due to a decrease in capital contributions from the Iowa Department of Transportation. Charges for service increased approximately \$243,000, primarily due to more drainage assessment collections. Operating grants, contributions and restricted interest increased approximately \$291,000, primarily due to increased road use tax revenue and contributions passed through to the County Fair. Property tax revenue increased approximately \$21,000, or less than 1%, over the prior year. Non-program expenses increased approximately \$261,000 over the prior fiscal year, largely due to more expense in the Internal Service Fund.

Greene County increased the property tax levied county-wide by \$63,638, or 1.8%, and slightly decreased the rural property tax levied. Taxable valuation (without gas and electric utilities) for each and total dollars levied are as follows:

	For Taxes Levied By Fiscal Year	
	2015	2014
County-wide taxable valuation	\$ 599,980,565	583,673,545
Dollars levied county-wide	3,629,882	3,566,244
Rural taxable valuation	436,805,138	423,435,471
Dollars levied rural area only	1,375,936	1,376,165
Total dollars levied	5,005,818	4,942,409

County-wide property tax revenue is budgeted to decrease approximately \$124,200 in fiscal year 2016 while rural services property tax revenue is budgeted to increase approximately \$41,700. The county-wide taxable valuation (without gas and electric utilities) increased in fiscal year 2016 to \$617,189,200, or 2.9%.

### INDIVIDUAL MAJOR FUND ANALYSIS

As Greene County completed the year, its governmental funds reported a combined fund balance of approximately \$6.1 million, an increase of approximately \$321,000 over last year's total of approximately \$5.8 million. The following are reasons for the more significant changes in fund balances of the major funds from the prior year:

- General Fund revenues and expenditures increased approximately \$336,000 and \$234,000, respectively. The ending fund balance increased approximately \$129,000 over the prior year to approximately \$1,849,000. The increase in revenues and expenditures is mostly due to \$175,000 of contributions received and passed through to the County Fair.
- The County has continued to look for ways to effectively manage the cost of mental health services. For the year, expenditures totaled approximately \$339,000, a decrease of 4% from the prior year. The Special Revenue, Mental Health Fund ending fund balance increased approximately \$185,000 over the prior year ending fund balance to \$630,132. The mental health levy rate was set at its maximum.
- The Special Revenue, Rural Services Fund balance decreased approximately \$52,000. Revenues and expenditures increased approximately \$10,000 and approximately \$39,000, respectively, and other financing uses remained the same.
- Special Revenue, Secondary Roads Fund expenditures increased approximately \$321,000 over the prior year while revenues increased approximately \$77,000. The largest increase in expenditures again occurred within the roadway maintenance program. The Secondary Roads Fund balance at year end decreased approximately \$229,000.

## **BUDGETARY HIGHLIGHTS**

Over the course of the year, Greene County amended its budget twice. The first amendment was made in October 2014 and increased budgeted receipts by \$350,369 and budgeted disbursements by \$523,998. The amendment included an increase in intergovernmental receipts for FEMA funds and hazard mitigation funds. Public safety and legal services budgeted disbursements were increased \$36,758 for the purchase of a vehicle, mental health budgeted disbursements were increased \$100,000 for distribution to the mental health region, county environment and education budgeted disbursements were increased \$349,340 for a pass-through grant for a local manufacturing company and FEMA related work for conservation and administration budgeted disbursements were increased \$37,900 for Courthouse repairs.

The second amendment was made in May 2015 and resulted in an increase in budgeted receipts of \$445,092 and an increase in budgeted disbursements of \$438,001. Public safety and legal services budgeted disbursements increased \$36,516 for miscellaneous jail and other expenses, mental health budgeted disbursements decreased \$40,000 due to lower than anticipated mental health region disbursements, roads and transportation budgeted disbursements increased \$266,485 for new equipment and non-program disbursements increased \$175,000 to provide pass-through contributions to the County Fair.

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

- County-wide taxable valuation rose approximately \$16.3 million, or 2.8%, over the prior year's taxable valuation. Likewise, rural taxable valuation increased approximately \$13.4 million, or 3.2%.
- Local option sales tax to be disbursed for rural tax relief and rural betterment included transfers and disbursements of \$210,000. A transfer of \$175,000 was made to the Special Revenue, Secondary Roads Fund and a transfer of \$5,000 was made to the General Fund to cover bike trail repair work. \$30,000 was disbursed for a pickup for the Sheriff's office and installation of an in-car computer.

The County's cash basis receipts were \$199,087 less than the amended budget, a variance of 1.9%.

Total cash basis disbursements were \$678,127 less than the amended budget, a variance of 6.5%. The largest variance occurred within the county environment and education function where disbursements were approximately \$307,000 less than budgeted due to less grant money being spent than originally planned.



## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2015, Greene County had approximately \$16.5 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 \$399,000, or 2.4%, from last year.

Capital Assets of Governmental Activities at Year End		
(Expressed in Thousands)		
	June 30,	
	2015	2014
Land	\$ 1,547	1,547
Buildings	1,345	1,390
Equipment and vehicles	2,860	2,689
Infrastructure	10,723	11,248
Total	\$ 16,475	16,874
This year's major additions included:		
Motorgrader		\$ 331,873
Secondary roads pickups		95,128
Sheriff's vehicles		98,142
Total		\$ 525,143

The County had depreciation expense of \$1,061,533 in fiscal year 2015 and total accumulated depreciation of \$14,487,218 at June 30, 2015. More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

### Long-Term Debt

At June 30, 2015, Greene County had \$46,724 of outstanding installment purchase agreement and drainage warrants payable compared to \$119,517 at June 30, 2014, as shown below.

Outstanding Debt of Governmental Activities at Year End		
	June 30,	
	2015	2014
Installment purchase agreement	\$ 5,950	29,513
Drainage warrants	40,774	90,004
Total	\$ 46,724	119,517

## 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 2016 budget, tax rates and fees charged for various County activities. County-wide and rural taxable valuations rose slightly more than 2.8% and 4.0%, respectively, over the previous year's valuations. The County increased the general supplemental levy by \$.03 per \$1,000 of taxable valuation but was able to lower the mental health levy by \$.40 per \$1,000 of taxable valuation and the rural services levy by \$.03 per \$1,000 of taxable valuation.

## 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.

**Greene County**

## **Basic Financial Statements**

Greene County  
Statement of Net Position  
June 30, 2015

	Governmental Activities
<b>Assets</b>	
Cash, cash equivalents and pooled investments	\$ 5,381,369
Receivables:	
Property tax:	
Delinquent	4,322
Succeeding year	4,789,000
Interest and penalty on property tax	22,641
Accounts	36,365
Accrued interest	708
Drainage assessments	40,773
Due from other governments	495,293
Inventories	1,291,560
Prepaid expenses	16,325
Capital assets, net of accumulated depreciation	16,475,169
<b>Total assets</b>	<b>28,553,525</b>
<b>Deferred Outflows of Resources</b>	
Pension related deferred outflows	407,959
<b>Liabilities</b>	
Accounts payable	486,240
Salaries and benefits payable	4,621
Due to other governments	8,135
Long-term liabilities:	
Portion due or payable within one year:	
Installment purchase agreement	5,950
Compensated absences	211,691
Portion due or payable after one year:	
Drainage warrants	40,774
Compensated absences	46,089
Net pension liability	1,622,448
Net OPEB liability	143,000
<b>Total liabilities</b>	<b>2,568,948</b>
<b>Deferred Inflows of Resources</b>	
Unavailable property tax revenue	4,789,000
Pension related deferred inflows	877,909
<b>Total deferred inflows of resources</b>	<b>5,666,909</b>
<b>Net Position</b>	
Net investment in capital assets	16,475,169
Restricted for:	
Supplemental levy purposes	434,535
Mental health	625,716
Rural services	370,450
Secondary roads	1,852,726
Drainage improvements	481,211
Other purposes	792,166
Unrestricted	(306,346)
<b>Total net position</b>	<b>\$ 20,725,627</b>

See notes to financial statements.

Greene County  
Statement of Activities  
Year ended June 30, 2015

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
<b>Functions/Programs:</b>					
Governmental activities:					
Public safety and legal services	\$ 1,427,739	189,323	1,499	-	(1,236,917)
Physical health and social services	396,075	5,875	84,306	-	(305,894)
Mental health	336,271	70,557	10,495	-	(255,219)
County environment and education	898,505	129,895	149,510	30,000	(589,100)
Roads and transportation	5,184,332	246,502	3,024,798	-	(1,913,032)
Governmental services to residents	322,943	203,167	-	-	(119,776)
Administration	1,479,781	15,223	-	-	(1,464,558)
Non-program	554,584	236,568	175,000	-	(143,016)
Interest on long-term debt	3,361	258,319	-	-	254,958
<b>Total</b>	<b>\$ 10,603,591</b>	<b>1,355,429</b>	<b>3,445,608</b>	<b>30,000</b>	<b>(5,772,554)</b>
<b>General Revenues:</b>					
Property and other county tax levied for general purposes					4,896,507
Penalty and interest on property tax					25,223
Local option sales and services tax					420,581
State tax credits					345,780
Unrestricted investment earnings					11,337
Gain on disposition of capital assets					137,115
Miscellaneous					46,024
<b>Total general revenues</b>					<b>5,882,567</b>
Change in net position					110,013
Net position beginning of year, as restated					20,615,614
Net position end of year					<b>\$20,725,627</b>

See notes to financial statements.

Greene County  
Balance Sheet  
Governmental Funds

June 30, 2015

	Special Revenue		
	General	Mental Health	Rural Services
<b>Assets</b>			
Cash, cash equivalents and pooled investments	\$ 1,799,067	617,144	366,124
Receivables:			
Property tax:			
Delinquent	3,254	422	646
Succeeding year	3,221,000	174,000	1,394,000
Interest and penalty on property tax	22,641	-	-
Accounts	150	130	7,771
Accrued interest	700	-	-
Drainage assessments	-	-	-
Due from other funds	-	-	-
Due from other governments	92,407	21,274	12,158
Inventories	-	-	-
Prepaid expenditures	16,325	-	-
<b>Total assets</b>	<b>\$ 5,155,544</b>	<b>812,970</b>	<b>1,780,699</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 33,698	8,053	2,008
Salaries and benefits payable	3,928	364	329
Due to other funds	16,850	-	-
Due to other governments	5,409	-	-
Total liabilities	59,885	8,417	2,337
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	3,221,000	174,000	1,394,000
Other	25,857	421	647
Total deferred inflows of resources	3,246,857	174,421	1,394,647
Fund balances:			
Nonspendable			
Inventories	-	-	-
Prepaid expenditures	16,325	-	-
Restricted for:			
Supplemental levy purposes	437,714	-	-
Mental health	-	630,132	-
Rural services	-	-	383,715
Secondary roads	-	-	-
Drainage warrants	-	-	-
Other purposes	-	-	-
Assigned for capital improvement projects	463,554	-	-
Assigned for election equipment	30,000	-	-
Unassigned	901,209	-	-
Total fund balances	1,848,802	630,132	383,715
<b>Total liabilities, deferred inflows of resources     and fund balances</b>	<b>\$ 5,155,544</b>	<b>812,970</b>	<b>1,780,699</b>

See notes to financial statements.

Secondary		
Roads	Nonmajor	Total
740,575	1,220,941	4,743,851
-	-	4,322
-	-	4,789,000
-	-	22,641
1,793	790	10,634
3	5	708
-	40,773	40,773
16,850	-	16,850
291,706	77,748	495,293
1,291,560	-	1,291,560
-	-	16,325
2,342,487	1,340,257	11,431,957
330,376	26,107	400,242
-	-	4,621
-	-	16,850
2,726	-	8,135
333,102	26,107	429,848
-	-	4,789,000
-	40,773	67,698
-	40,773	4,856,698
1,291,560	-	1,291,560
-	-	16,325
-	-	437,714
-	-	630,132
-	-	383,715
717,825	-	717,825
-	481,211	481,211
-	792,166	792,166
-	-	463,554
-	-	30,000
-	-	901,209
2,009,385	1,273,377	6,145,411
2,342,487	1,340,257	11,431,957

**Greene County**



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

June 30, 2015

<b>Total governmental fund balances (page 21)</b>		\$ 6,145,411
<b>Amounts reported for governmental activities in the Statement of Net Position are different because:</b>		
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 \$30,962,387 and the accumulated depreciation is \$14,487,218.		16,475,169
Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds.		67,698
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.		577,251
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	\$ 407,959	
Deferred in flows of resources	(877,909)	(469,950)
Long-term liabilities, including the installment purchase agreement payable, drainage warrants payable, compensated absences payable, net pension liability and other postemployment benefits payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds.		(2,069,952)
<b>Net position of governmental activities (page 18)</b>		<b>\$ 20,725,627</b>

See notes to financial statements.

Greene County

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

Year ended June 30, 2015

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
<b>Revenues:</b>				
Property and other county tax	\$ 3,130,242	406,226	1,359,440	-
Local option sales and services tax	-	-	-	-
Interest and penalty on property tax	20,182	-	-	-
Intergovernmental	439,964	117,510	196,077	3,024,798
Licenses and permits	5,875	-	-	33,586
Charges for service	382,684	-	-	-
Use of money and property	22,543	-	-	26,120
Miscellaneous	218,264	130	10,673	213,384
Total revenues	4,219,754	523,866	1,566,190	3,297,888
<b>Expenditures:</b>				
Operating:				
Public safety and legal services	1,077,792	-	363,273	-
Physical health and social services	397,514	-	-	-
Mental health	-	338,947	-	-
County environment and education	522,064	-	295,400	-
Roads and transportation	-	-	-	4,745,432
Governmental services to residents	351,230	-	-	-
Administration	1,504,026	-	-	-
Non-program	175,000	-	-	-
Debt service	-	-	-	-
Capital projects	18,611	-	-	-
Total expenditures	4,046,237	338,947	658,673	4,745,432
Excess (deficiency) of revenues over (under) expenditures	173,517	184,919	907,517	(1,447,544)
<b>Other financing sources (uses):</b>				
Sale of capital assets	-	-	-	33,125
Drainage warrants issued	-	-	-	-
Transfers in	5,000	-	-	1,185,000
Transfers out	(50,000)	-	(960,000)	-
Total other financing sources (uses)	(45,000)	-	(960,000)	1,218,125
Change in fund balances	128,517	184,919	(52,483)	(229,419)
Fund balances beginning of year	1,720,285	445,213	436,198	2,238,804
Fund balances end of year	\$ 1,848,802	630,132	383,715	2,009,385

See notes to financial statements.

Nonmajor	Total
-	4,895,908
420,581	420,581
-	20,182
12,557	3,790,906
-	39,461
2,121	384,805
35	48,698
371,988	814,439
807,282	10,414,980
41,067	1,482,132
-	397,514
-	338,947
55,324	872,788
-	4,745,432
-	351,230
-	1,504,026
-	175,000
90,953	90,953
188,522	207,133
375,866	10,165,155
431,416	249,825
-	33,125
38,362	38,362
-	1,190,000
(180,000)	(1,190,000)
(141,638)	71,487
289,778	321,312
983,599	5,824,099
1,273,377	6,145,411

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, 2015

**Change in fund balances - Total governmental funds (page 25)** \$ 321,312

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

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

Expenditures for capital assets	\$ 525,143	
Depreciation expense	<u>(1,061,533)</u>	(536,390)

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. 137,115

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

Property tax	599	
Other	<u>(60,890)</u>	(60,291)

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	(38,362)	
Repaid	<u>111,155</u>	72,793

The current year County share of IPERS contributions is reported as expenditures in the governmental funds but is reported as deferred outflows of resources in the Statement of Net Position. 315,051

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	(1,839)	
Pension expense	(121,862)	
Other postemployment benefits	<u>(19,400)</u>	(143,101)

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. 3,524

**Change in net position of governmental activities (page 19)** \$ 110,013

See notes to financial statements.

Greene County  
Statement of Net Position  
Proprietary Fund  
June 30, 2015

	<u>Internal Service – Employee Group Health</u>
<b>Current Assets</b>	
Cash and cash equivalents	\$ 637,518
Accounts receivable	25,731
<b>Total current assets</b>	<u>663,249</u>
<b>Current Liabilities</b>	
Accounts payable	<u>85,998</u>
<b>Net Position</b>	
Unrestricted	<u><u>\$ 577,251</u></u>

See notes to financial statements.

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

Year ended June 30, 2015

		<u>Internal Service – Employee Group Health</u>
Operating revenues:		
Reimbursements from operating funds and other governmental units		\$ 978,743
Reimbursements from employees and others		159,042
Insurance reimbursements		<u>53,042</u>
Total operating revenues		1,190,827
Operating expenses:		
Medical claims	\$ 611,869	
Insurance premiums	361,901	
Administrative and other fees	40,702	
Prescription charges	<u>172,831</u>	<u>1,187,303</u>
Total operating income		3,524
Net position beginning of year		<u>573,727</u>
Net position end of year		<u><u>\$ 577,251</u></u>

See notes to financial statements.

Greene County  
Statement of Cash Flows  
Proprietary Fund  
Year ended June 30, 2015

	Internal Service – Employee Group Health
Cash flows from operating activities:	
Cash received from operating funds and other reimbursements	\$ 1,137,785
Cash received from insurance reimbursements	29,477
Cash paid to suppliers for services	(1,166,208)
Net cash provided by operating activities	1,054
Cash and cash equivalents beginning of year	636,464
Cash and cash equivalents end of year	\$ 637,518
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 3,524
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in accounts receivable	(23,565)
Decrease in accounts payable	21,095
Net cash provided by operating activities	\$ 1,054

See notes to financial statements.

Greene County  
Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2015

**Assets**

Cash, cash equivalents and pooled investments:	
County Treasurer	\$ 928,325
Other County officials	171,201
Receivables:	
Property tax:	
Delinquent	15,959
Succeeding year	12,408,000
Accounts	14,027
Special assessments	31,320
<b>Total assets</b>	<u>13,568,832</u>

**Liabilities**

Accounts payable	1,246
Due to other governments	13,507,225
Trusts payable	52,819
Compensated absences	7,542
<b>Total liabilities</b>	<u>13,568,832</u>
<b>Net position</b>	<u><u>\$ -</u></u>

See notes to financial statements.



Greene County

Notes to Financial Statements

June 30, 2015

**(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 and the Statement of Activities report information on all of the nonfiduciary activities of the County and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenues and other nonexchange transactions.

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

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

*Restricted net position* results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

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

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

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

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

Additionally, the County reports the following funds:

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund 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, 2013 assessed property valuations; is for the tax accrual period July 1, 2014 through June 30, 2015 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2014.

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

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 no more than 15 annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Special assessments receivable represent assessments which have been made but have not been collected.

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

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

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

Capital Assets – Capital assets, which include property, equipment and vehicles 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

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

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

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation, 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, 2015. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

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

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

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

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

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

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

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

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

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

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

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, 2015, the County had the following investments:

Investment	Fair Value	Maturity
Federal National Mortgage Association (FNMA) interest only strip	\$ 2	February 2017

In addition, the County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$10,970 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, 2015 is as follows:

Receivable Fund	Payable Fund	Amount
Special Revenue:		
Secondary Roads	General	<u>\$ 16,850</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, 2015 is as follows:

Transfer to	Transfer from	Amount
General	Special Revenue:	
	Local Option Sales Tax	<u>\$ 5,000</u>
Special Revenue:	General	50,000
Secondary Roads	Special Revenue:	
	Rural Services	960,000
	Local Option Sales Tax	175,000
		<u>1,185,000</u>
Total		<u>\$ 1,190,000</u>

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

**(5) Capital Assets**

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,547,199	-	-	1,547,199
Construction in progress	-	-	-	-
Total capital assets not being depreciated	1,547,199	-	-	1,547,199
Capital assets being depreciated:				
Buildings	2,604,062	-	-	2,604,062
Equipment and vehicles	8,638,652	679,036	(362,833)	8,954,855
Infrastructure, road network	17,856,271	-	-	17,856,271
Total capital assets being depreciated	29,098,985	679,036	(362,833)	29,415,188
Less accumulated depreciation for:				
Buildings	1,213,782	45,442	-	1,259,224
Equipment and vehicles	5,949,748	490,765	(346,055)	6,094,458
Infrastructure, road network	6,608,210	525,326	-	7,133,536
Total accumulated depreciation	13,771,740	1,061,533	(346,055)	14,487,218
Total capital assets being depreciated, net	15,327,245	(382,497)	(16,778)	14,927,970
Governmental activities capital assets, net	\$ 16,874,444	(382,497)	(16,778)	16,475,169

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 69,910
County environment and education	52,015
Roads and transportation	919,031
Governmental services to residents	800
Administration	19,777
Total depreciation expense - governmental activities	<u>\$ 1,061,533</u>

**(6) Due to Other Governments**

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2015 is as follows:

Fund	Description	Amount
General	Services	\$ 5,409
Special Revenue:		
Mental Health	Services	-
Secondary Roads	Services	2,726
Total for governmental funds		<u>\$ 8,135</u>
Agency:		
County Assessor	Collections	\$ 695,452
Schools		7,350,393
Community Colleges		494,610
Corporations		2,348,276
Auto License and Use Tax		317,133
County Hospital		1,659,575
All other		641,786
Total for agency funds		<u>\$ 13,507,225</u>

**(7) Long-Term Liabilities**

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

	Installment Purchase Agreement	Drainage Warrants	Compen- sated Absences	Net Pension Liability	Net OPEB Liability	Total
Balance beginning of year, as restated	\$ 29,513	90,004	255,941	2,593,385	123,600	3,092,443
Increases	-	38,362	279,795	-	35,600	353,757
Decreases	23,563	87,592	277,956	970,937	16,200	1,376,248
Balance end of year	<u>\$ 5,950</u>	<u>40,774</u>	<u>257,780</u>	<u>1,622,448</u>	<u>143,000</u>	<u>2,069,952</u>
Due within one year	<u>\$ 5,950</u>	-	211,691	-	-	217,641

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:

Year Ending June 30,	Principal
2016	<u>\$ 5,950</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 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, database computers and software and to pay off a loan agreement dated November 11, 2005. The loan agreement is to be repaid in four annual installments of \$32,000, beginning June 1, 2014, and a payment of \$23,492 on June 1, 2018, including interest at 2.50% per annum. During the year ended June 30, 2015, the E911 Service Board paid principal of \$27,936 and interest of \$4,064 on the loan, for a total of \$32,000. The balance outstanding at June 30, 2015 is \$83,121

The County is contingently liable on the loan outstanding at June 30, 2015. Since the interest and 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 loan.

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 Plan**

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

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

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

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

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

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

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

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

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

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

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

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

The County's contributions to IPERS for the year ended June 30, 2015 were \$315,051.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the County reported a liability of \$1,622,448 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2014, the County's collective proportion was 0.0409089%, which was a decrease of 0.004259% from its collective proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$121,862. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,359	18,954
Changes of assumptions	74,549	17,277
Net difference between projected and actual earnings on pension plan investments	-	821,562
Changes in proportion and differences between County contributions and the County's proportionate share of contributions		20,116
County contributions subsequent to the measurement date	315,051	-
Total	\$ 407,959	877,909

\$315,051 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2016	\$ (196,848)
2017	(196,848)
2018	(196,848)
2019	(196,848)
2020	2,391
Total	\$ (785,001)

There were no non-employer contributing entities to IPERS.

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

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

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

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

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

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

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

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

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
County's proportionate share of the net pension liability	\$ 3,505,186	\$1,622,448	\$ 34,538

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

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

**(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 72 active and 2 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, 2015, 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	4,900
Adjustment to annual required contribution	(4,700)
Annual OPEB cost	<u>35,600</u>
Contributions made	(16,200)
Increase in net OPEB obligation	<u>19,400</u>
Net OPEB obligation beginning of year	<u>123,600</u>
Net OPEB obligation end of year	<u>\$ 143,000</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, 2015.



For the year ended June 30, 2015, the County contributed \$16,200 to the medical plan. Plan members eligible for benefits contributed \$15,196, or 48% of the premium costs.

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

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 35,400	23.2%	\$ 100,000
2014	35,600	33.7	123,600
2015	35,600	45.5	143,000

Funded Status and Funding Progress – As of July 1, 2012, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was approximately \$289,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$289,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$3,177,000 and the ratio of the UAAL to covered payroll was 9.1%. As of June 30, 2015, there were no trust fund assets.

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

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

As of the July 1, 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 727 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials' liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual casualty operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses estimated for the fiscal year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board no to exceed 300% of basis.

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

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's contributions to the Pool for the year ended June 30, 2015 were \$142,717.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location. Property risks exceeding \$250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate.

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

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

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

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$1,000,000 and \$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 Wellmark. 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 the County's Administrator from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2015 was \$978,743.

Amounts payable from the Employee Group Health Fund at June 30, 2015 total \$85,998, 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 \$577,251 at June 30, 2015 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	\$ 64,903
Incurred claims (including claims incurred but not reported at June 30, 2015)	784,700
Payments on claims during the year	<u>(763,605)</u>
Unpaid claims end of year	<u><u>\$ 85,998</u></u>

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

Heart of Iowa Community Services, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa which became effective July 1, 2014, includes the following member counties: Audubon County, Dallas County, Guthrie County and Greene County. The financial activity of the County's Special Revenue, Mental Health Fund is included in the Heart of Iowa Community Services for the year ended June 30, 2015, as follows:

Revenues:		
Property and other county tax		\$ 406,226
Intergovernmental:		
State tax credits	\$ 30,330	
Social services block grant	16,753	
Other	70,557	117,640
Total revenues		<u>523,866</u>
Expenditures:		
Services to persons with:		
Mental illness	160,001	
Intellectual disabilities	94	160,095
General administration:		
Direct administration	105,531	
Distribution to regional fiscal agent	73,321	178,852
Total expenditures		<u>338,947</u>
Excess of revenues over expenditures		184,919
Fund balance beginning of year		<u>445,213</u>
Fund balance end of year		<u><u>\$ 630,132</u></u>

**(14) Accounting Change/Restatement**

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

	<u>Governmental Activities</u>
Net position June 30, 2014, as previously reported	\$ 22,901,201
Net pension liability at June 30, 2014	(2,593,385)
Deferred outflows of resources related to prior year contributions made after the June 30, 2013 measurement date	<u>307,798</u>
Net position July 1, 2014, as restated	<u><u>\$ 20,615,614</u></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, 2015

	Actual	Less Funds not Required to be Budgeted	Net
<b>Receipts:</b>			
Property and other county tax	\$ 5,267,396	-	5,267,396
Interest and penalty on property tax	20,633	-	20,633
Intergovernmental	3,791,076	-	3,791,076
Licenses and permits	39,469	-	39,469
Charges for service	385,112	-	385,112
Use of money and property	48,684	-	48,684
Miscellaneous	802,540	307,549	494,991
Total receipts	10,354,910	307,549	10,047,361
<b>Disbursements:</b>			
Public safety and legal services	1,494,718	-	1,494,718
Physical health and social services	402,192	-	402,192
Mental health	347,298	-	347,298
County environment and education	810,845	-	810,845
Roads and transportation	4,657,603	-	4,657,603
Governmental services to residents	351,090	-	351,090
Administration	1,519,644	-	1,519,644
Non-program	230,324	-	230,324
Debt service	3,361	3,361	-
Capital projects	210,930	192,210	18,720
Total disbursements	10,028,005	195,571	9,832,434
Excess (deficiency) of receipts over (under) disbursements	326,905	111,978	214,927
Other financing uses	(39,330)	(49,230)	9,900
Excess (deficiency) of receipts over (under) disbursements and other financing uses	287,575	62,748	224,827
Balance beginning of year	4,456,276	418,637	4,037,639
Balance end of year	\$ 4,743,851	481,385	4,262,466

See accompanying independent auditor's report.



Budgeted Amounts		Final to
Original	Final	Net
		Variance
5,250,538	5,256,788	10,608
5,000	10,000	10,633
3,365,778	3,906,234	(115,158)
55,725	54,225	(14,756)
351,700	379,700	5,412
55,306	51,306	(2,622)
366,940	588,195	(93,204)
9,450,987	10,246,448	(199,087)
1,458,450	1,531,724	37,006
466,135	466,135	63,943
383,593	443,593	96,295
768,229	1,117,569	306,724
4,399,339	4,665,824	8,221
361,260	361,260	10,170
1,571,556	1,609,456	89,812
60,000	235,000	4,676
-	-	-
80,000	80,000	61,280
9,548,562	10,510,561	678,127
(97,575)	(264,113)	479,040
-	-	9,900
(97,575)	(264,113)	488,940
3,560,909	4,020,758	16,881
3,463,334	3,756,645	505,821

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Greene County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2015

	Governmental Funds		
	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis
Revenues	\$ 10,354,910	60,070	10,414,980
Expenditures	10,028,005	137,150	10,165,155
Net	326,905	(77,080)	249,825
Other financing sources (uses), net	(39,330)	110,817	71,487
Beginning fund balances	4,456,276	1,367,823	5,824,099
Ending fund balances	\$ 4,743,851	1,401,560	6,145,411

See accompanying independent auditor's report.

Greene County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2015

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

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except blended component units, 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 increased budgeted disbursements by \$961,999. The budget amendments are reflected in the final budgeted amounts.

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

During the year ended June 30, 2015, disbursements did not exceed the amounts budgeted by function.

**Greene County**

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Greene County

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

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

Required Supplementary Information

	<u>2015</u>
County's collective proportion of the net pension liability	0.0409089%
County's collective proportionate share of the net pension liability (asset)	\$ 1,622
County's covered-employee payroll	\$ 3,377
County's collective proportionate share of the net pension liability as a percentage of its covered-employee payroll	48.03%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

\* The amounts presented for each fiscal year were determined as of June 30.

See accompanying independent auditor's report.

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Greene County

Schedule of County Contributions

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

Required Supplementary Information

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Statutorily required contribution	\$ 315	308	297	269
Contributions in relation to the statutorily required contribution	<u>(315)</u>	<u>(308)</u>	<u>(297)</u>	<u>(269)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered-employee payroll	\$ 3,454	3,377	3,325	3,209
Contributions as a percentage of covered-employee payroll	9.12%	9.12%	8.93%	8.38%

See accompanying independent auditor's report.

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<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
238	217	194	170	163	154
<u>(238)</u>	<u>(217)</u>	<u>(194)</u>	<u>(170)</u>	<u>(163)</u>	<u>(154)</u>
-	-	-	-	-	-
3,220	3,127	2,922	2,690	2,662	2,513
7.39%	6.94%	6.64%	6.32%	6.12%	6.13%

Greene County

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2015

*Changes of benefit terms:*

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

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

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

*Changes of assumptions:*

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

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

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

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

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



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

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

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
2014	Jul 1, 2012	-	289	289	0.0	3,153	9.2
2015	Jul 1, 2012	-	289	289	0.0	3,177	9.1

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, 2015

	County Recorder's Records		
	Management	REAP	Forfeiture
<b>Assets</b>			
Cash, cash equivalents and pooled investments	\$ 9,357	29,069	323
Receivables:			
Accounts	-	-	790
Accrued interest	1	4	-
Drainage assessments	-	-	-
Due from other governments	-	-	-
<b>Total assets</b>	<b>\$ 9,358</b>	<b>29,073</b>	<b>1,113</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ -	-	295
Deferred inflows of resources:			
Unavailable revenues:			
Other	-	-	-
Fund balances:			
Restricted for:			
Drainage warrants	-	-	-
Other purposes	9,358	29,073	818
Total fund balances	9,358	29,073	818
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 9,358</b>	<b>29,073</b>	<b>1,113</b>

See accompanying independent auditor's report.

Special Revenue				
Drainage Districts	Local Option Sales Tax	K-9	Ethanol Plant Agreement	Total
481,385	629,188	4,958	66,661	1,220,941
-	-	-	-	790
-	-	-	-	5
40,773	-	-	-	40,773
-	77,748	-	-	77,748
522,158	706,936	4,958	66,661	1,340,257
174	25,612	26	-	26,107
40,773	-	-	-	40,773
481,211	-	-	-	481,211
-	681,324	4,932	66,661	792,166
481,211	681,324	4,932	66,661	1,273,377
522,158	706,936	4,958	66,661	1,340,257

Greene County

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

Year ended June 30, 2015

	County Recorder's Records		
	Management	REAP	Forfeiture
<b>Revenues:</b>			
Local option sales and services tax	\$ -	-	-
Intergovernmental	-	12,557	-
Charges for service	2,121	-	-
Use of money and property	12	23	-
Miscellaneous	-	10,000	3,574
Total revenues	2,133	22,580	3,574
<b>Expenditures:</b>			
Operating:			
Public safety and legal services	-	-	3,528
County environment and education	-	-	-
Debt service	-	-	-
Capital projects	-	450	-
Total expenditures	-	450	3,528
Excess (deficiency) of revenues over (under) expenditures	2,133	22,130	46
<b>Other financing sources (uses):</b>			
Drainage warrants issued	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Change in fund balances	2,133	22,130	46
Fund balances beginning of year	7,225	6,943	772
Fund balances end of year	\$ 9,358	29,073	818

See accompanying independent auditor's report.

Special Revenue				
Drainage Districts	Local Option Sales Tax	K-9	Ethanol Plant Agreement	Total
-	420,581	-	-	420,581
-	-	-	-	12,557
-	-	-	-	2,121
-	-	-	-	35
307,549	-	865	50,000	371,988
307,549	420,581	865	50,000	807,282
-	35,986	1,553	-	41,067
-	-	-	55,324	55,324
90,953	-	-	-	90,953
188,072	-	-	-	188,522
279,025	35,986	1,553	55,324	375,866
28,524	384,595	(688)	(5,324)	431,416
38,362	-	-	-	38,362
-	(180,000)	-	-	(180,000)
38,362	(180,000)	-	-	(141,638)
66,886	204,595	(688)	(5,324)	289,778
414,325	476,729	5,620	71,985	983,599
481,211	681,324	4,932	66,661	1,273,377

Greene County  
 Combining Schedule of Fiduciary Assets and Liabilities  
 Agency Funds

June 30, 2015

	County Offices	Agricultural Extension Education	County Assessor	Schools
<b>Assets</b>				
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ -	2,401	402,877	99,035
Other County officials	31,801	-	-	-
Receivables:				
Property tax:				
Delinquent	-	182	356	7,358
Succeeding year	-	179,000	301,000	7,244,000
Accounts	14,027	-	-	-
Special assessments	-	-	-	-
<b>Total assets</b>	<b>\$ 45,828</b>	<b>181,583</b>	<b>704,233</b>	<b>7,350,393</b>
<b>Liabilities</b>				
Accounts payable	\$ -	-	1,239	-
Due to other governments	23,433	181,583	695,452	7,350,393
Trusts payable	22,395	-	-	-
Compensated absences	-	-	7,542	-
<b>Total liabilities</b>	<b>\$ 45,828</b>	<b>181,583</b>	<b>704,233</b>	<b>7,350,393</b>

See accompanying independent auditor's report.



Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	County Hospital	Other	Total
7,065	29,563	3,211	4,313	317,133	21,912	40,815	928,325
-	-	-	-	-	-	139,400	171,201
545	5,713	140	-	-	1,663	2	15,959
487,000	2,313,000	246,000	-	-	1,636,000	2,000	12,408,000
-	-	-	-	-	-	-	14,027
-	-	-	31,320	-	-	-	31,320
494,610	2,348,276	249,351	35,633	317,133	1,659,575	182,217	13,568,832
-	-	-	-	-	-	7	1,246
494,610	2,348,276	249,351	35,633	317,133	1,659,575	151,786	13,507,225
-	-	-	-	-	-	30,424	52,819
-	-	-	-	-	-	-	7,542
494,610	2,348,276	249,351	35,633	317,133	1,659,575	182,217	13,568,832

Greene County

Combining Schedule of Changes in Fiduciary Assets and Liabilities  
Agency Funds

Year ended June 30, 2015

	County Offices	Agricultural Extension Education	County Assessor	Schools
<b>Assets and Liabilities</b>				
Balances beginning of year	\$ 33,431	177,655	674,308	7,278,571
Additions:				
Property and other county tax	-	179,388	301,903	7,261,891
State tax credits	-	13,093	25,597	541,656
E911 surcharge	-	-	-	-
Office fees and collections	261,393	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	224,164	-	-	-
Miscellaneous	-	-	26	-
Total additions	485,557	192,481	327,526	7,803,547
Deductions:				
Agency remittances:				
To other funds	117,754	-	-	-
To other governments	150,374	188,553	297,601	7,731,725
Trusts paid out	205,032	-	-	-
Total deductions	473,160	188,553	297,601	7,731,725
Balances end of year	\$ 45,828	181,583	704,233	7,350,393

See accompanying independent auditor's report.

Community Colleges	Corpora- tions	Townships	City Special Assess- ments	Auto License and Use Tax	County Hospital	Other	Total
521,682	2,401,875	232,167	31,597	283,097	1,621,221	170,590	13,426,194
488,012	2,286,090	246,510	-	-	1,639,276	1,929	12,404,999
38,638	266,773	14,482	-	-	119,463	144	1,019,846
-	-	-	-	-	-	241,338	241,338
-	-	-	-	-	-	17,794	279,187
-	-	-	-	3,489,391	-	-	3,489,391
-	-	-	33,765	-	-	-	33,765
-	-	-	-	-	-	-	224,164
-	-	-	-	-	-	174,919	174,945
526,650	2,552,863	260,992	33,765	3,489,391	1,758,739	436,124	17,867,635
-	-	-	-	120,867	-	-	238,621
553,722	2,606,462	243,808	29,729	3,334,488	1,720,385	402,920	17,259,767
-	-	-	-	-	-	21,577	226,609
553,722	2,606,462	243,808	29,729	3,455,355	1,720,385	424,497	17,724,997
494,610	2,348,276	249,351	35,633	317,133	1,659,575	182,217	13,568,832

Greene County

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

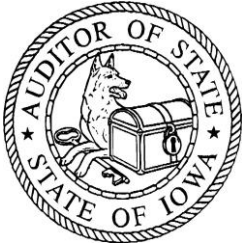
For the Last Ten Years

	2015	2014	2013	2012
<b>Revenues:</b>				
Property and other county tax	\$ 4,895,908	4,876,014	5,050,566	4,651,181
Local option sales and services tax	420,581	363,453	330,372	335,478
Interest and penalty on property tax	20,182	23,963	22,814	24,080
Intergovernmental	3,790,906	3,557,257	3,480,544	3,756,555
Licenses and permits	39,461	50,269	50,377	56,797
Charges for service	384,805	388,136	344,026	410,704
Use of money and property	48,698	49,371	52,357	38,425
Miscellaneous	814,439	576,991	1,031,202	719,594
Total	\$ 10,414,980	9,885,454	10,362,258	9,992,814
<b>Expenditures:</b>				
Operating:				
Public safety and legal services	\$ 1,482,132	1,501,937	1,388,685	1,340,259
Physical health and social services	397,514	402,455	399,292	365,858
Mental health	338,947	353,076	319,807	1,422,092
County environment and education	872,788	840,761	804,143	815,295
Roads and transportation	4,745,432	4,424,435	3,973,101	3,834,991
Governmental services to residents	351,230	337,782	454,932	347,980
Administration	1,504,026	1,451,872	1,454,755	1,394,137
Non-program	175,000	-	-	26,000
Debt service	90,953	349,820	719,667	224,505
Capital projects	207,133	225,210	541,880	654,489
Total	\$ 10,165,155	9,887,348	\$ 10,056,262	10,425,606

See accompanying independent auditor's report.

Modified Accrual Basis					
2011	2010	2009	2008	2007	2006
4,964,479	4,438,624	4,220,867	3,956,141	4,069,403	3,986,253
334,826	359,816	356,170	281,558	127,529	-
32,089	26,982	26,415	24,310	24,353	35,501
4,767,583	4,010,169	4,300,228	3,746,259	3,796,036	3,914,161
49,114	40,939	41,346	43,750	37,922	35,578
410,474	345,286	351,902	328,665	339,564	343,893
47,782	45,248	70,207	161,155	198,307	122,668
677,114	618,629	358,326	577,460	297,837	252,281
11,283,461	9,885,693	9,725,461	9,119,298	8,890,951	8,690,335
1,345,041	1,333,360	1,225,669	1,155,960	1,073,381	1,019,817
397,472	432,946	340,039	269,015	275,513	259,664
1,226,104	1,087,399	1,240,352	1,437,086	1,362,286	1,276,025
780,196	839,485	734,774	1,078,820	964,617	739,948
4,137,876	4,315,317	3,700,267	3,950,150	3,399,286	3,325,074
323,357	318,275	321,528	291,266	273,210	340,250
1,338,824	1,247,531	1,185,034	1,100,080	1,213,871	1,086,544
36,692	-	-	-	4,296	28,753
263,106	218,979	137,275	147,472	12,604	369,683
642,159	367,625	477,540	370,306	223,843	425,752
10,490,827	10,160,917	9,362,478	9,800,155	8,802,907	8,871,510

**Greene County**



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

Mary Mosiman, CPA  
Auditor of State

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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, 2015, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 12, 2016.

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) and (C) 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.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2015 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.


### 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

April 12, 2016



Greene County  
 Schedule of Findings  
 Year ended June 30, 2015

**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:

	Applicable Offices
(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) Disbursements – preparing and signing checks.	County Recorder
(3) Independent review of the bank reconciliation was not documented by the signature or initials of the preparer and the reviewer and the date of the review.	County Sheriff

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 – The Treasurer’s Office will continue to do the best we can to segregate duties.

County Sheriff – The Sheriff will assist with opening of the daily mail and noting all incoming checks and moneys into a mail log. The Sheriff will also check receipts and cash book. The Sheriff will also record and make a secondary review of each month’s reconciliation bank statements and date the reviews. An additional staff person will assist with opening mail and checking deposits.

County Recorder – We will do our best to try to segregate duties.

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, 2015

- (B) County Sheriff –The Sheriff’s Office does not compare the validated bank deposit receipt to the cash receipt journal.

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

Response – Validated bank deposit slips will be initialed after they are taken to the bank and compared to the cash receipt journal which will also be initialed by the preparer.

Conclusion – Response accepted.

- (C) Bike Trail Receipts – The Conservation Department charges a permit fee for use of the County portion of the Raccoon River Valley Bike Trail. Bike trail users fill out an envelope and insert payment either at the Courthouse, which is collected in the County Recorder’s Office, or on the trail, which is put into a drop box. Conservation Department personnel periodically pick up the envelopes from each location, fill out the permit log and deposit the fees with the County Treasurer. During testing, we noted instances where the total of the permit log did not agree with the corresponding deposit.

Recommendation – The Conservation Department should develop procedures to ensure the amount entered in the permit log and deposited with the County Treasurer agree.

Response – Beginning in June 2015, County Treasurer staff will initial off on the permit log deposit sub-total lines to indicate they are in agreement with the amount received by the County Treasurer.

Conclusion – Response accepted.

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

Greene County

Schedule of Findings

Year ended June 30, 2015

**Other Findings Related to Required Statutory Reporting:**

- (1) Certified Budget – Disbursements during the year ended June 30, 2015 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	\$ 627

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.

- (5) Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- (6) Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- (7) Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County’s investment policy were noted.
- (8) Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- (9) County Extension Office – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an Extension Council separate and distinct from County operations and, consequently, is not included in Exhibits A or B.

Disbursements during the year ended June 30, 2015 for the County Extension Office did not exceed the amount budgeted.

Greene County

Staff

This audit was performed by:

Ernest H. Ruben, Jr., CPA, Manager  
Leanna J. Showman, Senior Auditor  
Ryan P. Swanson, CPA, Staff Auditor  
Carolina M. Chavez, Assistant Auditor  
Michael Holowinski, Assistant Auditor  
Tara H. Williams, Assistant Auditor

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

Andrew E. Nielsen, CPA  
Deputy Auditor of State