OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Des Moines, Iowa 50319-0004

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Mary Mosiman, CPA
Auditor of State

NEWS RELEASE

Contact: Andy Nielsen
515/281-5834

FOR RELEASE March 20, 2018

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

The County had local tax revenue of $20,548,472 for the year ended June 30, 2017, which included $1,701,358 in tax credits from the state. The County forwarded $15,310,258 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained $5,238,214 of the local tax revenue to finance County operations, a 1.3% increase over the prior year. Other revenues included charges for service of $1,794,115, operating grants, contributions and restricted interest of $4,375,051, capital grants, contributions and restricted interest of $1,900,144, local option sales and services tax of $400,549, gaming tax of $140,134, unrestricted investment earnings of $13,873 and other general revenues of $110,986.

Expenses for County operations for the year ended June 30, 2017 totaled $12,060,193, a 4.0% increase over the prior year. Expenses included $5,357,324 for roads and transportation, $1,958,758 for administration and $1,634,138 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 https://auditor.iowa.gov/reports/1710-0037-B00F.

# # #

GREENE COUNTY

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS

JUNE 30, 2017

Table of Contents

Greene County

Officials

(Before January 2017)

Name	Title	Term Expires
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 Haupert	County Sheriff	Jan 2017
Nicola J. Martino	County Attorney	Jan 2019
Linda Spearman	County Assessor	(Retired Nov 2017)
Adam Smith (Appointed Dec 2017)	County Assessor	Jan 2022

(After January 2017)

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

Greene County

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Mary Mosiman, CPA
Auditor of State

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, 2017, 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, 2017, and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County Contributions and the Schedule of Funding Progress for the Retiree Health Plan on pages 9 through 15 and 52 through 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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, 2016 (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 March 8, 2018 on our consideration of Greene County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Greene County's internal control over financial reporting and compliance.

Mary Mosiman

MARY MOSIMAN, CPA
Auditor of State

March 8, 2018

Greene County

MANAGEMENT'S DISCUSSION AND ANALYSIS

Greene County provides this Management's Discussion and Analysis of its annual financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2017. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2017 FINANCIAL HIGHLIGHTS

- Revenues of the County's governmental activities increased 13.4%, or approximately $1,658,000, over fiscal year 2016 to fiscal year 2017. Charges for services increased approximately $410,000, capital grants, contributions and restricted interest increased approximately $1,073,000 and operating grants, contributions and restricted interest increased 6.0%, or approximately $247,000, over fiscal year 2016.

- Total program expenses of the County's governmental activities increased 4.0%, or approximately $460,000. The largest program expense increases were in the areas of administration (approximately $345,000, or 21.4%), non-program (approximately $247,000, or 29.4%), mental health (approximately $131,000, or 46.8%) and public safety and legal services (approximately $119,000, or 7.9%). County environment and education expenses decreased approximately $395,000, or 32.1%.

- The County's net position increased 9.1%, or approximately $1,963,000, over the June 30, 2016 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 increased over a year ago, increasing from approximately $21.5 million to approximately $23.5 million. The analysis below focuses on the changes in the County's net position of governmental activities.

Net Position of Governmental Activities
(Expressed in Thousands)

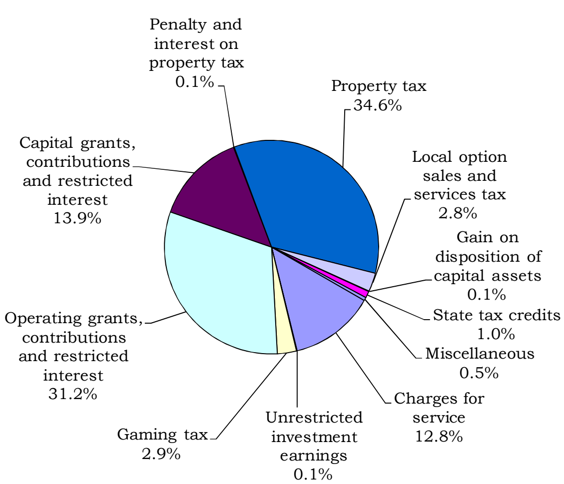
	June 30,	
	2017	2016
Current and other assets	$ 12,514	12,087
Capital assets	19,098	17,355
Total assets	31,612	29,442
Deferred outflows of resources	874	415
Long-term liabilities	3,415	2,752
Other liabilities	416	504
Total liabilities	3,831	3,256
Deferred inflows of resources	5,201	5,110
Net position:		
Invested in capital assets	19,098	17,355
Restricted	4,810	4,347
Unrestricted	(454)	(211)
Total net position	$ 23,454	21,491

Greene County's total net position increased approximately $1,963,000, or 9.1%. The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment). Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased from a deficit of approximately $211,000 at June 30, 2016 to a deficit of approximately $454,000 at the end of this year, a decrease of 115%. The unrestricted net position deficit is due to reporting the net pension liability.

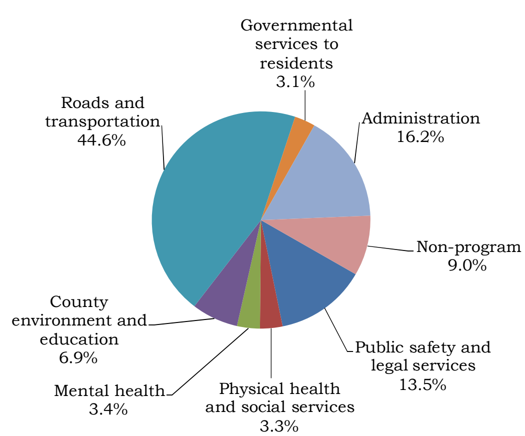
Changes in Net Position of Governmental Activities
(Expressed in Thousands)

		Year ended June 30,	
		2017	2016
Revenues:			
Program revenues:			
Charges for service	$	1,794	1,384
Operating grants, contributions and restricted interest		4,375	4,128
Capital grants, contributions and restricted interest		1,950	877
General revenues:			
Property tax		4,843	4,805
Penalty and interest on property tax		21	22
Gaming tax		140	133
Local option sales and services tax		401	429
State tax credits		395	368
Unrestricted investment earnings		14	12
Gain on disposition of capital assets		13	142
Miscellaneous		77	65
Total revenues		14,023	12,365
Program expenses:			
Public safety and legal services		1,634	1,515
Physical health and social services		398	419
Mental health		411	280
County environment and education		835	1,230
Roads and transportation		5,357	5,343
Governmental services to residents		372	355
Administration		1,959	1,614
Non-program		1,088	841
Interest on long-term debt		6	3
Total expenses		12,060	11,600
Change in net position		1,963	765
Net position beginning of year		21,491	20,726
Net position end of year	$	23,454	21,491

Revenues by Source



Expenses by Program



Overall, Greene County's revenues for governmental activities increased approximately $1,658,000 over the prior year and expenses increased $460,000. Capital grants, contributions and restricted interest increased approximately $1,073,000, primarily due to Iowa Department of Transportation road and bridge projects. Charges for service increased approximately $410,000, primarily due to new wind turbine zoning petitions, increased secondary roads materials sales and health insurance operating revenues.

Greene County slightly increased the property tax levied county-wide by $29,690, or 0.8%, and slightly increased the rural property tax levied by $21,138, or 1.5%. Taxable valuation (without gas and electric utilities) for each and total dollars levied are as follows:

	For Taxes Levied By Fiscal Year	
	2017	2016
County-wide taxable valuation	$ 622,416,323	617,189,200
Dollars levied county-wide	3,535,325	3,505,635
Rural taxable valuation	455,316,659	454,379,321
Dollars levied rural area only	1,438,801	1,417,663
Total dollars levied	4,974,126	4,923,298

County-wide property tax revenue is budgeted to increase approximately $122,200 in fiscal year 2018 and rural services property tax revenue is budgeted to increase approximately $69,400. The county-wide taxable valuation (without gas and electric utilities) increased in fiscal year 2018 to $647,356,511, or approximately 4%.

INDIVIDUAL MAJOR FUND ANALYSIS

As Greene County completed the year, its governmental funds reported a combined fund balance of approximately $6.6 million, an increase of approximately $590,000 over last year's total of approximately $6.0 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 $249,000 and $176,000, respectively. The ending fund balance increased approximately $164,000 over the prior year to approximately $2,077,000. The increase in revenues and expenditures is largely due to contributions by the Bell Tower Community Foundation and the related expenditures for improvements that were made to complete the four octave carillon.

- Special Revenue, Mental Health Fund revenues increased approximately $44,000, or 17.4%, over the prior year. Expenditures totaled approximately $408,000, an increase of 44.4%. The Special Revenue, Mental Health Fund ending fund balance decreased approximately $108,000 from the prior year ending fund balance to $494,566. The increase in expenditures was primarily due to disbursements to the Heart of Iowa Community Services fiscal agent for the County's share of services and other costs.

- The Special Revenue, Rural Services Fund balance increased approximately $25,000. Revenues increased approximately $16,000 while expenditure decreased approximately $314,000. The decrease in expenditures was mostly due to a payment from the fund for gravel last year.

- Special Revenue, Secondary Roads Fund expenditures decreased approximately $38,000 from the prior year while revenues increased approximately $268,000. The increase in revenues was primarily due to increased road use tax and a reimbursement for a bridge guard rail. The Secondary Roads Fund balance at year end increased approximately $660,000 over the prior year balance.

BUDGETARY HIGHLIGHTS

Over the course of the year, Greene County amended its budget twice. The first amendment was made in January 2017 and increased budgeted receipts by $585,110 and budgeted disbursements by $658,837. The amendment included a $580,110 increase in miscellaneous receipts which was primarily for Bell Tower Foundation funds, Bike Trail grant funds and Fair Association flow through funds. Public safety and legal services budgeted disbursements were increased $70,227 primarily for the purchase of an ambulance, physical health and social services budgeted disbursements were increased $30,000 for shelter care and detention costs, administration budgeted disbursements were increased $392,000 for Bell Tower improvements and maintenance, nonprogram current budgeted disbursements were increased $100,000 for Fair Association flow through and capital projects budgeted disbursements were increased $66,610 for bike trail improvements and conservation reserve.

The second amendment was made in May 2017 and resulted in a decrease in budgeted receipts of $23,350 and a decrease in budgeted disbursements of $106,823. The amendment included a $21,750 increase in intergovernmental receipts for election reimbursements and equipment replacements, budgeted charges for service increased $55,000 for zoning permits, sheriff fees and weapons permits and budgeted miscellaneous receipts was reduced $100,100 primarily due to a decrease in Fair Association flow through funds. Public safety and legal services budgeted disbursements were increased $53,040 for jail and other expenses, mental health budgeted disbursements were increased $33,400 for regional disbursements and payroll costs, county environment and education budgeted disbursements were increased $5,737 for vision plan increases and Economic Development Set Aside (EDSA) administration, budgeted administration disbursements increased $1,000 for board publications and budgeted non-program current disbursements decreased $200,000 due to a decrease in Fair Association flow through funds.

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

- County-wide taxable valuation rose approximately $5.2 million or less than 1% over the prior year's taxable value. Rural taxable valuation rose slightly less than $1 million or less than 1% over the prior year's taxable value.
- Local option sales tax disbursed included transfers totaling $459,928 for Secondary Roads gravel purchase and $32,000 for bike trail improvements.
- A project to add the remaining bells to the County's Mahanay Bell Tower Carillon was started, with the improvement funded by the Bell Tower Community Foundation's contributions to the County. Other maintenance and repair costs related to the tower were directly funded by the County.

The County's cash basis receipts were $240,509 less than the amended budget, a variance of 2.1%.

Total cash basis disbursements were $1,048,511 less than the amended budget, a variance of 8.4%. The largest variance occurred within the capital projects function where disbursements were approximately $531,000 less than budgeted due, in part, to $500,000 budgeted by Secondary Roads for roadway construction that did not occur.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2017, Greene County had approximately $19.1 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This is a net increase (including additions and deletions) of approximately $1,743,000, or 10.0%, over last year.

Capital Assets of Governmental Activities at Year End
(Expressed in Thousands)

	June 30, 2017	June 30, 2016
Land	$ 1,979	1,903
Construction in progress	1,658	540
Buildings	1,737	1,409
Equipment and vehicles	3,274	3,306
Infrastructure	10,450	10,197
Total	$ 19,098	17,355

This year's major additions included:	
Capital assets contributed by the Iowa Department of Transportation	$ 1,777
Bell Tower expansion	343
Sheriff vehicles	78
Secondary roads trucks, shop and equipment	445
Total	$ 2,643

The County had depreciation expense of $1,086,575 in fiscal year 2017 and total accumulated depreciation of $16,133,530 at June 30, 2017. More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

At June 30, 2017, Greene County had $286,684 of outstanding drainage warrants payable compared to $220,469 at June 30, 2016, as shown below.

Outstanding Debt of Governmental Activities at Year End

	June 30, 2017	June 30, 2016
Drainage warrants	$ 286,684	220,469

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 2018 budget, tax rates and fees charged for various County activities. County-wide taxable valuations rose approximately 4% and rural taxable valuations rose approximately 3.5% over the previous year's valuations. The County lowered the general supplemental and mental health levies by $0.00553 and $0.02447 per $1,000 of taxable valuation, respectively, and raised the rural services levy by $0.04 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.

Basic Financial Statements

Greene County

Statement of Net Position

June 30, 2017

	Governmental Activities
Assets	
Cash, cash equivalents and pooled investments	$ 5,058,619
Receivables:	
Property tax:	
Delinquent	860
Succeeding year	5,072,000
Interest and penalty on property tax	12,970
Accounts	46,971
Accrued interest	1,037
Drainage assessments	286,684
Due from other governments	443,013
Inventories	1,592,056
Capital assets, net of accumulated depreciation	19,098,521
Total assets	31,612,731
Deferred Outflows of Resources	
Pension related deferred outflows	873,812
Liabilities	
Current liabilities:	
Accounts payable	389,110
Salaries and benefits payable	5,999
Due to other governments	20,871
Long-term liabilities:	
Portion due or payable within one year:	
Compensated absences	234,434
Portion due or payable after one year:	
Drainage warrants	286,684
Compensated absences	53,183
Net pension liability	2,678,270
Net OPEB liability	162,800
Total liabilities	3,831,351
Deferred Inflows of Resources	
Unavailable property tax revenue	5,072,000
Pension related deferred inflows	129,315
Total deferred inflows of resources	5,201,315
Net Position	
Net investment in capital assets	19,098,521
Restricted for:	
Supplemental levy purposes	498,223
Mental health	492,516
Rural services	404,953
Secondary roads	2,531,464
Drainage improvements	415,145
Other purposes	466,913
Unrestricted	(453,858)
Total net position	$ 23,453,877

See notes to financial statements.

Greene County

Greene County

Statement of Activities

Year ended June 30, 2017

	Expenses	Program Revenues: Charges for Service	Program Revenues: Operating Grants, Contributions and Restricted Interest	Program Revenues: Capital Grants, Contributions and Restricted Interest	Net (Expense) Revenue and Changes in Net Position
Functions/Programs:					
Governmental activities:					
Public safety and legal services	$ 1,634,138	208,935	4,564	-	(1,420,639)
Physical health and social services	398,133	54,975	132,623	-	(210,535)
Mental health	410,981	363	115,277	-	(295,341)
County environment and education	835,104	171,082	36,349	173,610	(454,063)
Roads and transportation	5,357,324	302,647	3,604,597	1,776,534	326,454
Governmental services to residents	372,032	218,549	-	-	(153,483)
Administration	1,958,758	17,688	-	-	(1,941,070)
Non-program	1,087,403	503,171	481,641	-	(102,591)
Interest on long-term debt	6,320	316,705	-	-	310,385
Total	$ 12,060,193	1,794,115	4,375,051	1,950,144	(3,940,883)
General Revenues:					
Property and other county tax levied for general purposes					4,842,668
Penalty and interest on property tax					20,915
Local option sales and services tax					400,549
State tax credits					395,546
Gaming tax					140,134
Unrestricted investment earnings					13,873
Gain on disposition of capital assets					12,710
Miscellaneous					77,361
Total general revenues					5,903,756
Change in net position					1,962,873
Net position beginning of year					21,491,004
Net position end of year					$ 23,453,877

See notes to financial statements.

Greene County

Balance Sheet
Governmental Funds

June 30, 2017

		General	Special Revenue Mental Health	Special Revenue Rural Services
Assets				
Cash, cash equivalents and pooled investments	$	2,135,459	467,775	401,080
Receivables:				
Property tax:				
Delinquent		547	28	285
Succeeding year		3,410,000	162,000	1,500,000
Interest and penalty on property tax		12,970	-	-
Accounts		876	-	-
Accrued interest		1,030	-	-
Drainage assessments		-	-	-
Due from other funds		-	-	-
Due from other governments		27,326	26,990	19,781
Inventories		-	-	-
Total assets	$	5,588,208	656,793	1,921,146
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	$	63,520	199	262
Salaries and benefits payable		5,350	-	649
Due to other funds		351	-	-
Due to other governments		18,502	-	-
Total liabilities		87,723	199	911
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax		3,410,000	162,000	1,500,000
Other		13,511	28	285
Total deferred inflows of resources		3,423,511	162,028	1,500,285
Fund balances:				
Nonspendable				
Inventories		-	-	-
Restricted for:				
Supplemental levy purposes		505,368	-	-
Mental health		-	494,566	-
Rural services		-	-	419,950
Secondary roads		-	-	-
Drainage warrants		-	-	-
Other purposes		-	-	-
Assigned for capital improvement projects		435,239	-	-
Assigned for election equipment		60,000	-	-
Assigned for attorney recovery fees		643	-	-
Assigned for conservation reserve		24,731	-	-
Unassigned		1,050,993	-	-
Total fund balances		2,076,974	494,566	419,950
Total liabilities, deferred inflows of resources and fund balances	$	5,588,208	656,793	1,921,146

See notes to financial statements.

Secondary Roads	Nonmajor	Total
824,548	862,720	4,691,582
-	-	860
-	-	5,072,000
-	-	12,970
840	-	1,716
5	2	1,037
-	286,684	286,684
351	-	351
339,592	29,324	443,013
1,592,056	-	1,592,056
2,757,392	1,178,730	12,102,269
49,443	9,988	123,412
-	-	5,999
-	-	351
2,369	-	20,871
51,812	9,988	150,633
-	-	5,072,000
-	286,684	300,508
-	286,684	5,372,508
1,592,056	-	1,592,056
-	-	505,368
-	-	494,566
-	-	419,950
1,113,524	-	1,113,524
-	415,145	415,145
-	466,913	466,913
-	-	435,239
-	-	60,000
-	-	643
-	-	24,731
-	-	1,050,993
2,705,580	882,058	6,579,128
2,757,392	1,178,730	12,102,269

Greene County

Greene County

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

June 30, 2017

Total governmental fund balances (page 21)		$ 6,579,128
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is $35,232,051 and the accumulated depreciation is $16,133,530.		19,098,521
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.		300,508
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.		146,594
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	$ 873,812	
Deferred inflows of resources	(129,315)	744,497
Long-term liabilities, including the 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.		(3,415,371)
Net position of governmental activities (page 17)		$ 23,453,877

See notes to financial statements.

Greene County

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

Year ended June 30, 2017

		Special Revenue		
	General	Mental Health	Rural Services	Secondary Roads
Revenues:				
Property and other county tax	$ 3,395,204	169,154	1,419,981	-
Local option sales and services tax	-	-	-	-
Interest and penalty on property tax	26,965	-	-	-
Intergovernmental	436,443	130,348	204,876	3,604,597
Licenses and permits	7,525	-	-	53,873
Charges for service	491,809	-	-	-
Use of money and property	25,690	-	-	25,770
Miscellaneous	656,461	363	-	248,774
Total revenues	5,040,097	299,865	1,624,857	3,933,014
Expenditures:				
Operating:				
Public safety and legal services	1,232,227	-	338,222	-
Physical health and social services	396,540	-	-	-
Mental health	-	408,236	-	-
County environment and education	541,636	-	301,230	-
Roads and transportation	-	-	-	4,777,195
Governmental services to residents	362,400	-	-	-
Administration	2,132,658	-	-	-
Non-program	100,000	-	-	-
Debt service	-	-	-	-
Capital projects	92,787	-	-	-
Total expenditures	4,858,248	408,236	639,452	4,777,195
Excess (deficiency) of revenues over (under) expenditures	181,849	(108,371)	985,405	(844,181)
Other financing sources (uses):				
Sale of capital assets	-	-	-	33,769
Drainage warrants issued	-	-	-	-
Transfers in	32,000	-	-	1,469,928
Transfers out	(50,000)	-	(960,000)	-
Total other financing sources (uses)	(18,000)	-	(960,000)	1,503,697
Change in fund balances	163,849	(108,371)	25,405	659,516
Fund balances beginning of year	1,913,125	602,937	394,545	2,046,064
Fund balances end of year	$ 2,076,974	494,566	419,950	2,705,580

See notes to financial statements.

Nonmajor	Total
-	4,984,339
400,549	400,549
-	26,965
12,715	4,388,979
-	61,398
2,332	494,141
22	51,482
304,605	1,210,203
720,223	11,618,056
43,750	1,614,199
-	396,540
-	408,236
23,975	866,841
-	4,777,195
6,000	368,400
5,000	2,137,658
43,674	143,674
201,832	201,832
315,786	408,573
640,017	11,323,148
80,206	294,908
-	33,769
261,727	261,727
-	1,501,928
(491,928)	(1,501,928)
(230,201)	295,496
(149,995)	590,404
1,032,053	5,988,724
882,058	6,579,128

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, 2017

Change in fund balances - Total governmental funds (page 25)		$ 590,404
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay expenditures exceeded depreciation expense in the current year, as follows:		
Expenditures for capital assets	$ 990,568	
Capital assets contributed by the Iowa Department of Transportation	1,776,534	
Contributed land	50,000	
Depreciation expense	(1,086,575)	1,730,527
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.		12,710
Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are recognized as deferred inflows of resources in the governmental funds, as follows:		
Property tax	(1,537)	
Other	60,163	58,626
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year issuances exceeded repayments, as follows:		
Issued	(261,727)	
Repaid	195,512	(66,215)
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.		332,232
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	23,590	
Pension expense	(330,897)	
Other postemployment benefits	(8,700)	(316,007)
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.		(379,404)
Change in net position of governmental activities (page 19)		$ 1,962,873

See notes to financial statements.

Greene County

Statement of Net Position
Proprietary Fund

June 30, 2017

		Internal Service – Employee Group Health
Current Assets		
Cash and cash equivalents	$	367,037
Accounts receivable		45,255
Total current assets		412,292
Current Liabilities		
Accounts payable		265,698
Net Position		
Unrestricted	$	146,594

See notes to financial statements.

Greene County

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

Year ended June 30, 2017

		Internal Service – Employee Group Health
Operating revenues:		
Reimbursements from operating funds and other governmental units		$ 1,053,261
Reimbursements from employees and others		176,938
Insurance reimbursements		294,983
Total operating revenues		1,525,182
Operating expenses:		
Medical claims	$ 1,284,368	
Insurance premiums	384,068	
Administrative and other fees	41,034	
Prescription charges	195,116	1,904,586
Total operating loss		(379,404)
Net position beginning of year		525,998
Net position end of year		$ 146,594

See notes to financial statements.

Greene County

Statement of Cash Flows
Proprietary Fund

Year ended June 30, 2017

	Internal Service – Employee Group Health
Cash flows from operating activities:	
Cash received from operating funds and other reimbursements	$ 1,230,199
Cash received from insurance reimbursements	297,735
Cash paid to suppliers for services	(1,782,218)
Net cash used by operating activities	(254,284)
Cash and cash equivalents beginning of year	621,321
Cash and cash equivalents end of year	$ 367,037
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	$ (379,404)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Decrease in accounts receivable	2,752
Increase in accounts payable	122,368
Net cash used by operating activities	$ (254,284)

See notes to financial statements.

Greene County

Statement of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2017

Assets	
Cash, cash equivalents and pooled investments:	
County Treasurer	$ 760,538
Other County officials	272,648
Receivables:	
Property tax:	
Delinquent	1,801
Succeeding year	14,005,000
Accounts	28,166
Special assessments	16,480
Total assets	15,084,633
Liabilities	
Due to other governments	15,043,489
Trusts payable	29,432
Compensated absences	11,712
Total liabilities	15,084,633
Net position	$ -

See notes to financial statements.

(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 amortized cost.

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

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is 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, 2015 assessed property valuations; is for the tax accrual period July 1, 2016 through June 30, 2017 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2016.

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, 2017, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

Capital Assets – Capital assets, which include property, furniture and equipment and intangibles acquired after July 1, 1980 are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

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

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

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

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense, contributions from the County after the measurement date but before the end of the County's reporting period and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

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, 2017. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

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

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

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid primarily by the General Fund, the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

Deferred Inflows of Resources – Deferred inflows of resources represents an acquisition of net position applicable to a future year(s) which will not be recognized as an inflow of resources (revenue) until that time. Although, certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources 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 unrecognized items not yet charged to pension expense.

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, 2017 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

The County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of $10,996 pursuant to Rule 2a-7 under the Investment Company Act of 1940. There were no limitations or restrictions on withdrawals for the IPAIT investments. The County's investment in the IPAIT is unrated.

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

(3) Due From and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2017 is as follows:

Receivable Fund	Payable Fund	Amount
Special Revenue:		
Secondary Roads	General	$ 351

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, 2017 is as follows:

Transfer to	Transfer from	Amount
General	Special Revenue:	
	Local Option Sales Tax	$ 32,000
Special Revenue:		
Secondary Roads	General	50,000
	Special Revenue:	
	Rural Services	960,000
	Local Option Sales Tax	459,928
		1,469,928
Total		$ 1,501,928

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, 2017 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 1,902,512	76,500	-	1,979,012
Construction in progress	540,465	1,776,534	(659,238)	1,657,761
Total capital assets not being depreciated	2,442,977	1,853,034	(659,238)	3,636,773
Capital assets being depreciated:				
Buildings	2,716,224	383,427	-	3,099,651
Equipment and vehicles	9,440,482	480,890	(87,305)	9,834,067
Infrastructure, other	-	146,051	-	146,051
Infrastructure, road network	17,856,271	659,238	-	18,515,509
Total capital assets being depreciated	30,012,977	1,669,606	(87,305)	31,595,278
Less accumulated depreciation for:				
Buildings	1,306,910	55,354	-	1,362,264
Equipment and vehicles	6,134,899	478,693	(53,715)	6,559,877
Infrastructure, other	-	4,868	-	4,868
Infrastructure, road network	7,658,861	547,660	-	8,206,521
Total accumulated depreciation	15,100,670	1,086,575	(53,715)	16,133,530
Total capital assets being depreciated, net	14,912,307	583,031	(33,590)	15,461,748
Governmental activities capital assets, net	$ 17,355,284	2,436,065	(692,828)	19,098,521

Depreciation expense was charged to the following functions:

Governmental activities:		
Public safety and legal services	$	82,507
County environment and education		39,093
Roads and transportation		937,531
Governmental services to residents		800
Administration		26,644
Total depreciation expense - governmental activities	$	1,086,575

(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, 2017 is as follows:

Fund	Description		Amount
General	Services	$	18,502
Special Revenue:			
Secondary Roads	Services		2,369
Total for governmental funds		$	20,871
Agency:			
County Assessor	Collections	$	480,640
Schools			7,816,443
Community Colleges			625,858
Corporations			3,021,375
Auto License and Use Tax			341,858
County Hospital			1,959,690
All other			797,625
Total for agency funds		$	15,043,489

(7) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2017 is as follows:

	Drainage Warrants	Compensated Absences	Net Pension Liability	Net OPEB Liability	Total
Balance beginning of year	$ 220,469	311,207	2,065,841	154,100	2,751,617
Increases	261,727	295,008	612,429	21,100	1,190,264
Decreases	195,512	318,598	-	12,400	526,510
Balance end of year	$ 286,684	287,617	2,678,270	162,800	3,415,371
Due within one year	$ -	234,434	-	-	234,434

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

E-911 Loan Agreement

On May 17, 2013, the E-911 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, 2017, the E-911 Service Board paid principal of $30,357 and interest of $1,643 on the loan, for a total of $32,000. The balance outstanding at June 30, 2017 is $21,687.

The County is contingently liable on the loan outstanding at June 30, 2017. Since the interest and principal is currently paid from E-911 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 E-911 Service Board are not adequate, a tax may be levied on all taxable properly 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 E-911 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 E-911 Service Board have not been reported in the Agency, E-911 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, PO Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

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

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

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

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

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

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

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

<u>Disability and Death Benefits</u> – 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.

<u>Contributions</u> – Contribution rates are established by IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2017, pursuant to the required rate, Regular members contributed 5.95% of covered payroll and the County contributed 8.93% of covered payroll for a total rate of 14.88%. The Sheriff, deputies and the County each contributed 9.63% of covered payroll for a total rate of 19.26%. 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, 2017 totaled $332,232.

<u>Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</u> – At June 30, 2017, the County reported a liability of $2,678,270 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 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, 2016, the County's proportion was 0.042557%, which was an increase of 0.000742% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of $330,897. At June 30, 2017, 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	$ 22,320	52,283
Changes of assumptions	38,531	8,797
Net difference between projected and actual earnings on pension plan investments	480,564	-
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	165	68,235
County contributions subsequent to the measurement date	332,232	-
Total	$ 873,812	129,315

$332,232 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, 2018. 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
2018	$ 29,892
2019	29,892
2020	229,127
2021	129,205
2022	(5,851)
Total	$ 412,265

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2016 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.
Wage growth (effective June 30, 1990)	4.00% per annum, based on 3.00% inflation and 1.00% real wage inflation.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RPH-2016 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
Core plus fixed income	28%	1.90%
Domestic equity	24	5.85
International equity	16	6.32
Private equity/debt	11	10.31
Real estate	8	3.87
Credit opportunities	5	4.48
U.S. TIPS	5	1.36
Other real assets	2	6.42
Cash	1	(0.26)
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	$ 4,701,105	2,678,270	972,358

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

Payables to IPERS – All legally required County contributions and legally required employee contributions which had been withheld from employee wages were remitted by the County to IPERS by June 30, 2017.

(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 80 active and 4 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, 2017, the amount actually contributed to the plan and changes in the County's net OPEB obligation:

Annual required contribution	$ 20,800
Interest on net OPEB obligation	6,200
Adjustment to annual required contribution	(5,900)
Annual OPEB cost	21,100
Contributions made	(12,400)
Increase in net OPEB obligation	8,700
Net OPEB obligation beginning of year	154,100
Net OPEB obligation end of year	$ 162,800

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, 2017.

For the year ended June 30, 2017, the County contributed $12,400 to the medical plan. Plan members eligible for benefits contributed $25,585, or 67% 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
2015	$ 35,600	45.5%	$ 143,000
2016	21,000	47.1	154,100
2017	21,100	58.8	162,800

Funded Status and Funding Progress – As of July 1, 2015, the most recent actuarial valuation date for the period July 1, 2016 through June 30, 2017, the actuarial accrued liability was approximately $184,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of approximately $184,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately $3,398,000 and the ratio of the UAAL to covered payroll was 5.4%. As of June 30, 2017, 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, 2015 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 8.5%. 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 3% is assumed for the purpose of this computation.

Mortality rates are from the RPH-2015 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 753 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials' liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

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

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

The County's property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The County's contributions to the Pool for the year ended June 30, 2017 were $150,394.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to $500,000 per claim. Claims exceeding $500,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to $250,000 each occurrence, each location. Property risks exceeding $250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate.

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

The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2017, no liability has been recorded in the County's financial statements. As of June 30, 2017, settled claims have not exceeded the Pool or reinsurance coverage since the pool's inception.

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

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of $1,000,000 and $100,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(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 $40,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to the County's Administrator from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2017 was $1,053,261.

Amounts payable from the Employee Group Health Fund at June 30, 2017 total $265,698, 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 $146,594 at June 30, 2017 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	$ 143,330
Incurred claims (including claims incurred but not reported at June 30, 2015)	1,479,484
Payments on claims during the year	(1,357,116)
Unpaid claims end of year	$ 265,698

(13) Tax Abatements

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

Tax Abatements of Other Entities

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2017 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Jefferson	Urban renewal and economic development projects	$ 27,200

(14) 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, 2015, 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, 2017, as follows:

Revenues:		
Property and other county tax		$ 169,154
Intergovernmental:		
State tax credits	$ 15,071	
Payments from regional fiscal agent	115,277	130,348
Other		363
Total revenues		299,865
Expenditures:		
Services to persons with:		
Mental illness		14,155
General administration:		
Direct administration	103,808	
Distribution to regional fiscal agent	290,273	394,081
Total expenditures		408,236
Excess of expenditures over revenues		(108,371)
Fund balance beginning of year		602,937
Fund balance end of year		$ 494,566

(15) New Accounting Pronouncement

The County adopted the tax abatement disclosure guidance set forth in Governmental Accounting Standards Board Statement No. 77, Tax Abatement Disclosures. The Statement sets forth guidance for the disclosure of information about the nature and magnitude of tax abatements which will make these transactions more transparent to financial statement users. Adoption of the guidance did not have an impact on amounts reported in the financial statements. The Notes to Financial Statements include information about the tax abatements of other entities which impact the County.

(16) Prospective Accounting Change

The Governmental Accounting Standards Board has issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement will be implemented for the fiscal year ending June 30, 2018. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with postemployment benefits other than pensions, including additional note disclosures and required supplementary information. In addition, the Statement of Net Position is expected to include a significant liability for the County's other postemployment benefits.

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, 2017

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	$ 5,400,794	-	5,400,794
Interest and penalty on property tax	27,321	-	27,321
Intergovernmental	4,289,558	-	4,289,558
Licenses and permits	61,411	-	61,411
Charges for service	493,853	-	493,853
Use of money and property	51,257	-	51,257
Miscellaneous	1,207,539	250,492	957,047
Total receipts	11,531,733	250,492	11,281,241
Disbursements:			
Public safety and legal services	1,694,386	-	1,694,386
Physical health and social services	404,701	-	404,701
Mental health	408,807	-	408,807
County environment and education	840,321	-	840,321
Roads and transportation	5,298,848	-	5,298,848
Governmental services to residents	367,573	-	367,573
Administration	2,109,440	-	2,109,440
Non-program	143,674	776	142,898
Debt service	6,321	6,321	-
Capital projects	476,855	321,842	155,013
Total disbursements	11,750,926	328,939	11,421,987
Excess (deficiency) of receipts over (under) disbursements	(219,193)	(78,447)	(140,746)
Other financing sources, net	99,984	66,215	33,769
Excess (deficiency) of receipts over (under) disbursements and other financing uses	(119,209)	(12,232)	(106,977)
Balance beginning of year	4,810,791	429,330	4,381,461
Balance end of year	$ 4,691,582	417,098	4,274,484

See accompanying independent auditor's report.

Budgeted Amounts		Final to Net
Original	Final	Variance
5,397,612	5,376,362	24,432
20,000	20,000	7,321
4,398,139	4,446,139	(156,581)
71,550	71,550	(10,139)
384,300	439,300	54,553
56,286	56,286	(5,029)
632,103	1,112,113	(155,066)
10,959,990	11,521,750	(240,509)
1,641,545	1,764,812	70,426
453,745	483,745	79,044
376,603	410,003	1,196
844,007	849,744	9,423
5,483,214	5,483,214	184,366
373,852	373,852	6,279
1,866,518	2,259,518	150,078
260,000	160,000	17,102
-	-	-
619,000	685,610	530,597
11,918,484	12,470,498	1,048,511
(958,494)	(948,748)	808,002
20,000	20,000	13,769
(938,494)	(928,748)	821,771
4,203,978	4,341,384	40,077
3,265,484	3,412,636	861,848

Greene County

Greene County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2017

	Governmental Funds		
	Cash Basis	Accrual Adjust-ments	Modified Accrual Basis
Revenues	$ 11,531,733	86,323	11,618,056
Expenditures	11,750,926	(427,778)	11,323,148
Net	(219,193)	514,101	294,908
Other financing sources (uses), net	99,984	195,512	295,496
Beginning fund balances	4,810,791	1,177,933	5,988,724
Ending fund balances	$ 4,691,582	1,887,546	6,579,128

See accompanying independent auditor's report.

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2017

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 $552,014. 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, 2017, disbursements did not exceed the amounts budgeted by function.

Greene County

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

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

Required Supplementary Information

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

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

See accompanying independent auditor's report.

Greene County

Schedule of County Contributions

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

Required Supplementary Information

		2017	2016	2015	2014
Statutorily required contribution	$	332	327	315	308
Contributions in relation to the statutorily required contribution		(332)	(327)	(315)	(308)
Contribution deficiency (excess)	$	-	-	-	-
County's covered-employee payroll	$	3,659	3,594	3,454	3,377
Contributions as a percentage of covered-employee payroll		9.07%	9.10%	9.12%	9.12%

See accompanying independent auditor's report.

	2013	2012	2011	2010	2009	2008
	297	269	238	217	194	170
	(297)	(269)	(238)	(217)	(194)	(170)
	-	-	-	-	-	-
	3,325	3,209	3,220	3,127	2,922	2,690
	8.93%	8.38%	7.39%	6.94%	6.64%	6.32%

Changes of benefit terms:

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

Legislative action in 2008 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.

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 (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

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

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

Greene County

Schedule of 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
2016	Jul 1, 2015	-	184	184	0.0	3,205	5.7
2017	Jul 1, 2015	-	184	184	0.0	3,398	5.4

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.

Greene County

Supplementary Information

Greene County

Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2017

	County Recorder's Records Management	REAP	Forfeiture
Assets			
Cash, cash equivalents and pooled investments	$ 7,444	5,929	16,399
Receivables:			
Accrued interest	1	1	-
Drainage assessments	-	-	-
Due from other governments	-	-	-
Total assets	$ 7,445	5,930	16,399
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	$ -	-	-
Deferred inflows of resources:			
Unavailable revenues:			
Other	-	-	-
Fund balances:			
Restricted for:			
Drainage warrants	-	-	-
Other purposes	7,445	5,930	16,399
Total fund balances	7,445	5,930	16,399
Total liabilties, deferred inflows of resources and fund balances	$ 7,445	5,930	16,399

See accompanying independent auditor's report.

Special Revenue				
Drainage Districts	Local Option Sales Tax	K-9	Ethanol Plant Agreement	Total
417,098	332,454	5,785	77,611	862,720
-	-	-	-	2
286,684	-	-	-	286,684
-	29,324	-	-	29,324
703,782	361,778	5,785	77,611	1,178,730
1,953	8,035	-	-	9,988
286,684	-	-	-	286,684
415,145	-	-	-	415,145
-	353,743	5,785	77,611	466,913
415,145	353,743	5,785	77,611	882,058
703,782	361,778	5,785	77,611	1,178,730

Greene County

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

Year ended June 30, 2017

	County Recorder's Records Management	REAP	Forfeiture
Revenues:			
Local option sales and services tax	$ -	-	-
Intergovernmental	-	12,715	-
Charges for service	2,332	-	-
Use of money and property	16	6	-
Miscellaneous	-	-	1,600
Total revenues	2,348	12,721	1,600
Expenditures:			
Operating:			
Public safety and legal services	-	-	4,762
County environment and education	-	7,000	-
Governmental services to residents	6,000	-	-
Administration	-	-	-
Non-program	-	-	-
Debt service	-	-	-
Capital projects	-	-	-
Total expenditures	6,000	7,000	4,762
Excess (deficiency) of revenues over (under) expenditures	(3,652)	5,721	(3,162)
Other financing sources (uses):			
Drainage warrants issued	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Change in fund balances	(3,652)	5,721	(3,162)
Fund balances beginning of year	11,097	209	19,561
Fund balances end of year	$ 7,445	5,930	16,399

See accompanying independent auditor’s report.

Special Revenue				
Drainage Districts	Local Option Sales Tax	K-9	Ethanol Plant Agreement	Total
-	400,549	-	-	400,549
-	-	-	-	12,715
-	-	-	-	2,332
-	-	-	-	22
250,492	573	1,940	50,000	304,605
250,492	401,122	1,940	50,000	720,223
-	38,283	705	-	43,750
-	16,975	-	-	23,975
-	-	-	-	6,000
-	5,000	-	-	5,000
776	-	-	42,898	43,674
201,832	-	-	-	201,832
315,786	-	-	-	315,786
518,394	60,258	705	42,898	640,017
(267,902)	340,864	1,235	7,102	80,206
261,727	-	-	-	261,727
-	(491,928)	-	-	(491,928)
261,727	(491,928)	-	-	(230,201)
(6,175)	(151,064)	1,235	7,102	(149,995)
421,320	504,807	4,550	70,509	1,032,053
415,145	353,743	5,785	77,611	882,058

Greene County

Combining Schedule of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2017

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	$ -	2,347	209,314	94,341
Other County officials	14,058	-	-	-
Receivables:				
Property tax:				
Delinquent	-	30	38	1,102
Succeeding year	-	190,000	283,000	7,721,000
Accounts	28,166	-	-	-
Special assessments	-	-	-	-
Total assets	$ 42,224	192,377	492,352	7,816,443
Liabilities				
Liabilities:				
Due to other governments	$ 38,188	192,377	480,640	7,816,443
Trusts payable	4,036	-	-	-
Compensated absences	-	-	11,712	-
Total liabilities	$ 42,224	192,377	492,352	7,816,443

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	City Special Assess-ments	Auto License and Use Tax	County Hospital	Other	Total
8,744	33,192	3,413	10,320	341,858	21,413	35,596	760,538
-	-	-	-	-	-	258,590	272,648
114	183	57	-	-	277	-	1,801
617,000	2,988,000	266,000	-	-	1,938,000	2,000	14,005,000
-	-	-	-	-	-	-	28,166
-	-	-	16,480	-	-	-	16,480
625,858	3,021,375	269,470	26,800	341,858	1,959,690	296,186	15,084,633
625,858	3,021,375	269,470	26,800	341,858	1,959,690	270,790	15,043,489
-	-	-	-	-	-	25,396	29,432
-	-	-	-	-	-	-	11,712
625,858	3,021,375	269,470	26,800	341,858	1,959,690	296,186	15,084,633

Greene County

Combining Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds

Year ended June 30, 2017

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets and Liabilities				
Balances beginning of year	$ 55,658	183,601	576,058	7,350,487
Additions:				
Property and other county tax	-	190,774	283,843	7,740,848
State tax credits	-	16,113	19,957	649,348
E911 surcharge	-	-	-	-
Office fees and collections	279,654	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	324,237	-	-	-
Miscellaneous	-	-	652	-
Total additions	603,891	206,887	304,452	8,390,196
Deductions:				
Agency remittances:				
To other funds	141,596	-	-	-
To other governments	133,882	198,111	388,158	7,924,240
Trusts paid out	341,847	-	-	-
Total deductions	617,325	198,111	388,158	7,924,240
Balances end of year	$ 42,224	192,377	492,352	7,816,443

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	City Special Assess- ments	Auto License and Use Tax	County Hospital	Other	Total
680,579	2,491,303	264,478	26,030	282,666	1,678,852	220,416	13,810,128
618,820	2,962,315	264,442	-	-	1,941,416	1,988	14,004,446
60,659	394,795	17,745	-	-	147,018	177	1,305,812
-	-	-	-	-	-	270,941	270,941
-	-	-	-	-	-	29,169	308,823
-	-	-	-	3,446,743	-	-	3,446,743
-	-	-	29,032	-	-	-	29,032
-	-	-	-	-	-	-	324,237
-	-	-	-	-	-	140,394	141,046
679,479	3,357,110	282,187	29,032	3,446,743	2,088,434	442,669	19,831,080
-	-	-	-	120,804	-	-	262,400
734,200	2,827,038	277,195	28,262	3,266,747	1,807,596	337,757	17,923,186
-	-	-	-	-	-	29,142	370,989
734,200	2,827,038	277,195	28,262	3,387,551	1,807,596	366,899	18,556,575
625,858	3,021,375	269,470	26,800	341,858	1,959,690	296,186	15,084,633

Greene County

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

For the Last Ten Years

	2017	2016	2015	2014
Revenues:				
Property and other county tax	$ 4,984,339	4,940,267	4,895,908	4,876,014
Local option sales and services tax	400,549	428,566	420,581	363,453
Interest and penalty on property tax	26,965	25,995	20,182	23,963
Intergovernmental	4,388,979	4,655,323	3,790,906	3,557,257
Licenses and permits	61,398	50,014	39,461	50,269
Charges for service	494,141	453,684	384,805	388,136
Use of money and property	51,482	49,158	48,698	49,371
Miscellaneous	1,210,203	623,894	814,439	576,991
Total	$ 11,618,056	11,226,901	10,414,980	9,885,454
Expenditures:				
Operating:				
Public safety and legal services	$ 1,614,199	1,656,163	1,482,132	1,501,937
Physical health and social services	396,540	428,158	397,514	402,455
Mental health	408,236	282,627	338,947	353,076
County environment and education	866,841	1,034,490	872,788	840,761
Roads and transportation	4,777,195	5,130,317	4,745,432	4,424,435
Governmental services to residents	368,400	365,268	351,230	337,782
Administration	2,137,658	1,588,383	1,504,026	1,451,872
Non-program	143,674	220,652	175,000	-
Debt service	201,832	43,645	90,953	349,820
Capital projects	408,573	856,638	207,133	225,210
Total	$ 11,323,148	11,606,341	10,165,155	9,887,348

See accompanying independent auditor's report.

Modified Accrual Basis					
2013	2012	2011	2010	2009	2008
5,050,566	4,651,181	4,964,479	4,438,624	4,220,867	3,956,141
330,372	335,478	334,826	359,816	356,170	281,558
22,814	24,080	32,089	26,982	26,415	24,310
3,480,544	3,756,555	4,767,583	4,010,169	4,300,228	3,746,259
50,377	56,797	49,114	40,939	41,346	43,750
344,026	410,704	410,474	345,286	351,902	328,665
52,357	38,425	47,782	45,248	70,207	161,155
1,031,202	719,594	677,114	618,629	358,326	577,460
10,362,258	9,992,814	11,283,461	9,885,693	9,725,461	9,119,298
1,388,685	1,340,259	1,345,041	1,333,360	1,225,669	1,155,960
399,292	365,858	397,472	432,946	340,039	269,015
319,807	1,422,092	1,226,104	1,087,399	1,240,352	1,437,086
804,143	815,295	780,196	839,485	734,774	1,078,820
3,973,101	3,834,991	4,137,876	4,315,317	3,700,267	3,950,150
454,932	347,980	323,357	318,275	321,528	291,266
1,454,755	1,394,137	1,338,824	1,247,531	1,185,034	1,100,080
-	26,000	36,692	-	-	-
719,667	224,505	263,106	218,979	137,275	147,472
541,880	654,489	642,159	367,625	477,540	370,306
10,056,262	10,425,606	10,490,827	10,160,917	9,362,478	9,800,155

Greene County

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Mary Mosiman, CPA
Auditor of State

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, 2017, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 8, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Greene County's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Greene County's internal control. Accordingly, we do not express an opinion on the effectiveness of Greene County's internal control.

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

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

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

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2017 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

MARY MOSIMAN, CPA
Auditor of State

March 8, 2018

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

(A) Segregation of Duties

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

Condition – Generally, one or two individuals in the offices identified may have control over the following areas for which no compensating controls exist:

	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

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

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

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, each official should review the operating procedures of their office to obtain the maximum internal control possible under the circumstances. The officials should utilize current personnel, including elected officials and personnel from other County offices, to provide additional control through review of financial transactions, reconciliations and reports.

Responses –

County Treasurer – I will continue to work on segregation of duties in operation of the treasurer's office and continue working with other offices in reconciliation of reports.

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

County Recorder – My deputy needs the authority to sign checks in the event of an emergency, otherwise I am the only one who signs them for my monthly reports.

County Extension Office – Checks received by mail each Monday are logged by staff member opening the mail; implemented beginning 12/27/2016. Upon receipt of monthly bank statement, the Director reconciles the log to the deposits, noting date verified and date of deposit. Log sheets for FY2018 will be stored in the audit book in the future.

Conclusions –

County Treasurer – Response accepted.

County Sheriff – Response accepted.

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

County Extension Office – Response accepted.

(B) Financial Reporting

Criteria – A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the County's financial statements.

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

Cause – County policies do not require and procedures have not been established to require independent review of transactions to ensure the County's financial statements are accurate and reliable.

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

Recommendation – The County should implement procedures to ensure all capital assets are properly recorded and included in the County's financial statements.

Response – We will review and update policies to ensure all capital assets are properly recorded.

Conclusion – Response accepted.

(C) County Sheriff Bank Deposit Receipts

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

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

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

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

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

Response – I will try and set up times with the County Auditor to come and review the above-mentioned areas of concern. Further I will check on them myself periodically. I will also make sure to have someone else compare the deposit receipt to the cash receipt journal. I will also start a log of who and when they are compared.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Other Findings Related to Required Statutory Reporting:

(1) Certified Budget – Disbursements during the year ended June 30, 2017 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	$ 750
James Carman, Secondary Roads Equipment Operator 3, owner of Carman Tree Service	Repairs	275

In accordance with Chapter 331.342(2)(j) of the Code of Iowa, the above transactions do not appear to represent conflicts of interest since total transactions for each 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, 2017 for the County Extension Office did not exceed the amount budgeted.

Staff

This audit was performed by:

Ernest H. Ruben, Jr., CPA, Manager
Ashley J. Moser, Senior Auditor
Joseph B. Sparks, Senior Auditor
Zachary J. Koziolek, Staff Auditor
Taylor I. Cook, Staff Auditor
Erin K. Howland, Assistant Auditor
Terry J. Erlbacher, Intern Auditor

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