



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Auditor of State

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Des Moines, Iowa 50319-0004

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NEWS RELEASE

FOR RELEASE

March 24, 2020

Contact: Marlys Gaston
515/281-5835

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

FINANCIAL HIGHLIGHTS:

The County's revenues totaled \$13,602,712 for the year ended June 30, 2019, an 0.8% decrease from the prior year. Expenses for County operations for the year ended June 30, 2019 totaled \$13,446,148 a 6.8% increase over the prior year. The significant increase in expenses is due primarily to the addition of an ambulance service in the County.

AUDIT FINDINGS:

Sand reported four findings related to the receipt and expenditure of taxpayer funds. They are found on pages 76 through 80 of this report. The findings address issues such as lack of segregation of duties, the County Sheriff bank deposit receipts, related party transactions, and the overpayment of ag land tax credit. Sand provided the County with recommendations to address each of these findings.

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

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

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GREENE COUNTY
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS
JUNE 30, 2019

Greene County



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March 11, 2020

Officials of Greene County
Jefferson, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for Greene County for the year ended June 30, 2019. The audit was performed pursuant to Chapter 11.6 of the Code of Iowa and in accordance with U.S. auditing standards and the standards applicable to financial audits contained in Government Auditing Standards.

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

Sincerely,

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

Rob Sand
Auditor of State

Table of Contents

		<u>Page</u>
Officials		3
Independent Auditor’s Report		5-7
Management’s Discussion and Analysis		8-14
Basic Financial Statements:	<u>Exhibit</u>	
Government-wide Financial Statements:		
Statement of Net Position	A	16
Statement of Activities	B	17
Governmental Fund Financial Statements:		
Balance Sheet	C	18-19
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	D	21
Statement of Revenues, Expenditures and Changes in Fund Balances	E	22-23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	F	24
Proprietary Fund Financial Statements:		
Statement of Net Position (Deficit)	G	25
Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit)	H	26
Statement of Cash Flows	I	27
Fiduciary Fund Financial Statement:		
Statement of Fiduciary Assets and Liabilities – Agency Funds	J	29
Notes to Financial Statements		30-50
Required Supplementary Information:		
Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances – Budget and Actual (Cash Basis) – All Governmental Funds		52-53
Budget to GAAP Reconciliation		55
Notes to Required Supplementary Information – Budgetary Reporting		56
Schedule of the County’s Proportionate Share of the Net Pension Liability		57
Schedule of County Contributions		58-59
Notes to Required Supplementary Information – Pension Liability		60
Schedule of Changes in the County’s Total OPEB Liability, Related Ratios and Notes		61
Supplementary Information:	<u>Schedule</u>	
Nonmajor Governmental Funds:		
Combining Balance Sheet	1	64-65
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	2	66-67
Agency Funds:		
Combining Schedule of Fiduciary Assets and Liabilities	3	68-69
Combining Schedule of Changes in Fiduciary Assets and Liabilities	4	70-71
Schedule of Revenues by Source and Expenditures by Function – All Governmental Funds	5	72-73
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		74-75
Schedule of Findings		76-80
Staff		81

Greene County

Officials

(Before January 2019)

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

(After January 2019)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Mick Burkett	Board of Supervisors	Jan 2021
John Muir	Board of Supervisors	Jan 2021
Peter Bardole	Board of Supervisors	Jan 2021
Thomas Contner	Board of Supervisors	Jan 2023
Dawn Rudolph	Board of Supervisors	Jan 2023
Jane Heun	County Auditor	Jan 2021
Katlynn Gannon-Mechaelsen	County Treasurer	Jan 2023
Marcia Tasler	County Recorder	Jan 2023
Jack Williams	County Sheriff	Jan 2021
Thomas Laehn	County Attorney	Jan 2023
Adam Smith	County Assessor	Jan 2022

Greene County



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Independent Auditor's Report

To the Officials of Greene County:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Greene County, Iowa, as of and for the year ended June 30, 2019, 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, 2019, and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 8 through 14 and 52 through 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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.

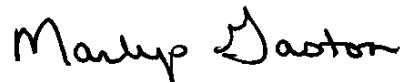
Supplementary Information

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, 2018 (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 11, 2020 on our consideration of Greene County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Greene County's internal control over financial reporting and compliance.



Marlys K. Gaston, CPA
Deputy Auditor of State

March 11, 2020

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, 2019. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2019 FINANCIAL HIGHLIGHTS

- Revenues of the County's governmental activities decreased 0.8%, or approximately \$107,000, from fiscal year 2018 to fiscal year 2019. Charges for services increased approximately \$510,000, operating grants, contributions and restricted interest increased approximately \$21,000 and capital grants, contributions and restricted interest decreased 62.0%, or approximately \$917,000, from fiscal year 2018.
- Total program expenses of the County's governmental activities increased 6.8%, or approximately \$857,000. The largest program expense increases were in the areas of roads and transportation (approximately \$403,000, or 6.6%) and public safety and legal services (approximately \$318,000, or 16.4%). Non-program expenses increased approximately \$125,000, or 18.0%, and physical health and social services expenses increased approximately \$68,000, or 16.0%.
- The County's net position increased 0.6%, or approximately \$156,000, over the June 30, 2018 balance.

USING THIS ANNUAL REPORT

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

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the County's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Greene County as a whole and present an overall view of the County's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Greene County's operations in more detail than the government-wide financial statements by providing information about the most significant funds. The remaining financial statements provide information about activities for which Greene County acts solely as an agent or custodian for the benefit of those outside of County government (Agency Funds).

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year, the County's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes.

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

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

The County has three kinds of funds:

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

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

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

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

- 3) Fiduciary funds are used to report assets held in a trust or agency capacity for others which cannot be used to support the County's own programs. These fiduciary funds include Agency Funds that account for drainage districts, emergency management services, the County Assessor, to name a few.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. The analysis below focuses on the changes in the County's net position of governmental activities.

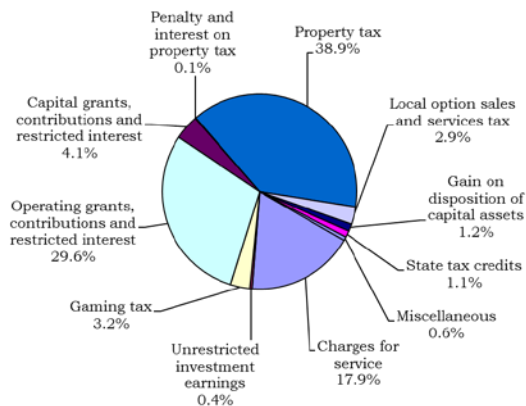
Net Position of Governmental Activities (Expressed in Thousands)		
	June 30,	
	2019	2018
Current and other assets	\$ 13,451	12,541
Capital assets	20,585	20,345
Total assets	34,036	32,886
Deferred outflows of resources	918	1,000
Long-term liabilities	3,193	3,416
Other liabilities	566	482
Total liabilities	3,759	3,898
Deferred inflows of resources	6,489	5,437
Net position:		
Invested in capital assets	20,585	20,345
Restricted	4,534	4,781
Unrestricted	(412)	(575)
Total net position	\$ 24,707	24,551

Net position of Greene County's governmental activities increased approximately \$156,000, or 0.6%. The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment). Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased from a deficit of approximately \$575,000 at June 30, 2018 to a deficit of approximately \$412,000 at the end of this year, an increase of 28.4%. The unrestricted net position deficit is due to reporting the net pension and total OPEB liabilities.

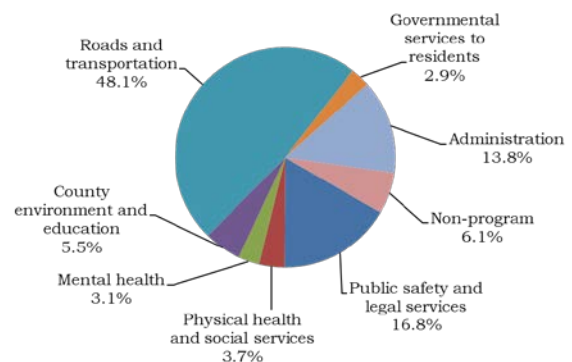
Changes in Net Position of Governmental Activities
(Expressed in Thousands)

	Year ended June 30,	
	2019	2018
Revenues:		
Program revenues:		
Charges for service	\$ 2,437	1,927
Operating grants, contributions and restricted interest	4,026	4,005
Capital grants, contributions and restricted interest	563	1,480
General revenues:		
Property tax	5,277	5,072
Penalty and interest on property tax	14	20
Gaming tax	145	140
Local option sales and services tax	436	370
State tax credits	399	367
Unrestricted investment earnings	52	31
Gain on disposition of capital assets	166	194
Miscellaneous	87	103
Total revenues	13,602	13,709
Program expenses:		
Public safety and legal services	2,258	1,940
Physical health and social services	492	424
Mental health	422	374
County environment and education	745	749
Roads and transportation	6,466	6,063
Governmental services to residents	384	381
Administration	1,853	1,947
Non-program	821	696
Interest on long-term debt	5	15
Total expenses	13,446	12,589
Change in net position	156	1,120
Net position beginning of year	24,551	23,431
Net position end of year	\$ 24,707	24,551

Revenues by Source



Expenses by Program



Overall, Greene County’s revenues for governmental activities decreased approximately \$107,000 from the prior year and expenses increased \$857,000. Capital grants, contributions and restricted interest decreased approximately \$917,000, primarily due to less Iowa Department of Transportation road network projects.

Greene County increased the property tax levied county-wide by \$142,374, or 3.9%, and increased the rural property tax levied by \$71,213, or 4.7%. Taxable valuation (without gas and electric utilities) for each and total dollars levied are as follows:

	For Taxes Levied By Fiscal Year	
	2019	2018
County-wide taxable valuation	\$ 655,727,099	647,356,511
Dollars levied county-wide	3,799,939	3,657,565
Rural taxable valuation	471,467,594	471,313,514
Dollars levied rural area only	1,579,416	1,508,203
Total dollars levied	5,379,355	5,165,768

County-wide property tax revenue is budgeted to increase approximately \$784,600 in fiscal year 2020 and rural services property tax revenue is budgeted to increase approximately \$98,500. The county-wide taxable valuation (without gas and electric utilities) increased in fiscal year 2020 to \$685,287,662, or approximately 4.5%.

INDIVIDUAL MAJOR FUND ANALYSIS

As Greene County completed the year, its governmental funds reported a combined fund balance of approximately \$6.4 million, a decrease of approximately \$336,000 from last year’s total of approximately \$6.7 million. The following are reasons for the more significant changes in fund balances of the major funds from the prior year:

- General Fund revenues increased approximately \$13,000 while expenditures increased approximately \$365,000. The ending fund balance decreased approximately \$263,000 from the prior year to approximately \$1,889,000. The increase in expenditures was primarily due to the addition of a county-operated ambulance service.
- Special Revenue, Mental Health Fund revenues decreased approximately \$83,000, or 28.9%, from the prior year. Expenditures totaled approximately \$424,500, an increase of 14.1% from the prior year. The Special Revenue, Mental Health Fund ending fund balance decreased approximately \$220,000 from the prior year ending fund balance to \$190,508. The increase in expenditures was primarily due to a large distribution of the mental health funds held at the County (\$350,000) to the Central Iowa Community Services fiscal agent for the County’s share of services and other costs.
- The Special Revenue, Rural Services Fund balance increased approximately \$19,000. Revenues increased approximately \$107,000 while expenditure increased approximately \$30,000.
- Special Revenue, Secondary Roads Fund revenues and expenditures increased approximately \$553,000, or 13.2%, and \$578,000, or 10.2%, respectively. The ending fund balance increased approximately \$220,000, or 7.5%, over the prior year. The increase in revenues and expenditures is primarily due to a reimbursement from Mid-American Energy for wind turbine construction and increased expenditures for road maintenance with the harsh 2018 winter and wet 2019 spring.

BUDGETARY HIGHLIGHTS

Over the course of the year, Greene County amended its budget one time. The amendment was made in February 2019 and increased budgeted receipts by \$1,003,626 and budgeted disbursements by \$827,977. The amendment included a \$933,626 increase in miscellaneous receipts which was primarily for the reimbursement from Mid-American Energy for road work and repairs relating to wind turbine construction. Public safety and legal services budgeted disbursements increased \$312,477 primarily due to a change from a privately operated to a county-run ambulance service that began March 1, 2019 in the County. Mental health budgeted disbursements increased \$80,000 for larger payment to the county's new region (Central Iowa Community Services), roads and transportation budgeted disbursements increased \$325,000 for road maintenance, and administration budgeted disbursements increased \$133,000 for higher than expected health insurance costs.

The County's cash basis receipts were \$59,989 more than the amended budget, a variance of 0.5%.

Total cash basis disbursements were \$493,565 less than the amended budget, a variance of 3.7%. The largest variance occurred within the capital projects function where disbursements were approximately \$159,000 less than budgeted due, in part, to a trailhead development project for the bike trail that was not completed, but rather, extended into the next fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2019, Greene County had approximately \$20.6 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 \$240,000, or 1.2%, over last year.

Capital Assets of Governmental Activities at Year End		
(Expressed in Thousands)		
	June 30,	
	2019	2018
Land	\$ 2,027	1,979
Construction in progress	571	27
Buildings	1,674	1,728
Equipment and vehicles	3,773	3,552
Infrastructure	12,540	13,059
Total	<u>\$ 20,585</u>	<u>20,345</u>
This year's major additions included:		
Capital assets contributed by the Iowa Department of Transportation	\$	483
Sheriff vehicles		70
Donated land		48
Ambulance equipment		93
Secondary roads trucks, shop and equipment		681
Total		<u>\$ 1,375</u>

The County had depreciation expense of \$1,112,142 in fiscal year 2019 and total accumulated depreciation of \$17,644,890 at June 30, 2019. More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

At June 30, 2019, Greene County had \$95,070 of outstanding drainage warrants payable compared to \$85,780 at June 30, 2018, as shown below.

<u>Outstanding Debt of Governmental Activities at Year End</u>		
	<u>June 30,</u>	
	<u>2019</u>	<u>2018</u>
Drainage warrants	<u>\$ 95,070</u>	<u>85,780</u>

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 2020 budget, tax rates and fees charged for various County activities. County-wide taxable valuations rose approximately 4.5% and rural taxable valuations rose approximately 4.7%. The County raised the general basic, general supplemental and rural services basic levies by \$0.20, \$0.7083 and \$0.05 per \$1,000 of taxable valuation, respectively.

CONTACTING THE COUNTY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Greene County’s finances and to show the County’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Greene County Auditor’s Office, 114 N. Chestnut, Jefferson, Iowa 50129-2144.

Basic Financial Statements

Greene County
Statement of Net Position
June 30, 2019

	Governmental Activities
Assets	
Cash, cash equivalents and pooled investments	\$ 4,808,015
Receivables:	
Property tax:	
Delinquent	321
Succeeding year	6,144,000
Interest and penalty on property tax	666
Accounts	200,488
Drainage assessments	95,070
Due from other governments	358,626
Inventories	1,844,137
Capital assets, net of accumulated depreciation	20,585,090
Total assets	34,036,413
Deferred Outflows of Resources	
Pension related deferred outflows	875,659
OPEB related deferred outflows	42,206
Total deferred outflows of resources	917,865
Liabilities	
Current liabilities:	
Accounts payable	518,859
Salaries and benefits payable	17,928
Due to other governments	28,780
Long-term liabilities:	
Portion due or payable within one year:	
Compensated absences	268,101
Portion due or payable after one year:	
Drainage warrants	95,070
Compensated absences	62,333
Net pension liability	2,513,112
Total OPEB liability	254,335
Total liabilities	3,758,518
Deferred Inflows of Resources	
Unavailable property tax revenue	6,144,000
Pension related deferred inflows	325,309
OPEB related deferred inflows	19,205
Total deferred inflows of resources	6,488,514
Net Position	
Net investment in capital assets	20,585,090
Restricted for:	
Supplemental levy purposes	298,587
Mental health	189,327
Rural services	396,545
Secondary roads	2,921,302
Drainage improvements	369,078
Other purposes	359,315
Unrestricted	(411,998)
Total net position	\$ 24,707,246

See notes to financial statements.

Greene County
Statement of Activities
Year ended June 30, 2019

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
Functions/Programs:					
Governmental activities:					
Public safety and legal services	\$ 2,257,572	336,269	4,383	-	(1,916,920)
Physical health and social services	491,987	6,858	136,739	-	(348,390)
Mental health	421,685	60	-	-	(421,625)
County environment and education	745,497	203,319	87,029	80,393	(374,756)
Roads and transportation	6,466,067	1,011,812	3,655,906	482,925	(1,315,424)
Governmental services to residents	384,155	215,780	-	-	(168,375)
Administration	1,853,071	15,943	-	-	(1,837,128)
Non-program	820,632	647,183	142,400	-	(31,049)
Interest on long-term debt	5,482	-	-	-	(5,482)
Total	\$ 13,446,148	2,437,224	4,026,457	563,318	(6,419,149)
General Revenues:					
Property and other county tax levied for general purposes					5,276,509
Penalty and interest on property tax					13,779
Local option sales and services tax					436,180
State tax credits					398,481
Gaming tax					145,261
Unrestricted investment earnings					52,336
Gain on disposition of capital assets					166,455
Miscellaneous					86,712
Total general revenues					6,575,713
Change in net position					156,564
Net position beginning of year					24,550,682
Net position end of year					\$ 24,707,246

See notes to financial statements.

Greene County
Balance Sheet
Governmental Funds

June 30, 2019

	Special Revenue		
	General	Mental Health	Rural Services
Assets			
Cash, cash equivalents and pooled investments	\$ 1,877,552	190,520	415,090
Receivables:			
Property tax:			
Delinquent	304	17	-
Succeeding year	4,287,000	189,000	1,668,000
Interest and penalty on property tax	666	-	-
Accounts	101,882	-	-
Drainage assessments	-	-	-
Due from other funds	-	-	-
Due from other governments	32,375	-	10,481
Inventories	-	-	-
Total assets	\$ 6,299,779	379,537	2,093,571
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 33,792	12	7,956
Salaries and benefits payable	13,681	-	1,509
Due to other funds	2,375	-	2,527
Due to other governments	27,517	-	-
Total liabilities	77,365	12	11,992
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	4,287,000	189,000	1,668,000
Other	46,668	17	-
Total deferred inflows of resources	4,333,668	189,017	1,668,000
Fund balances:			
Nonspendable			
Inventories	-	-	-
Restricted for:			
Supplemental levy purposes	305,713	-	-
Mental health	-	190,508	-
Rural services	-	-	413,579
Secondary roads	-	-	-
Drainage warrants	-	-	-
Other purposes	-	-	-
Assigned for capital improvement projects	446,682	-	-
Assigned for election equipment	90,000	-	-
Assigned for attorney recovery fees	3,553	-	-
Assigned for conservation reserve	89,805	-	-
Unassigned	952,993	-	-
Total fund balances	1,888,746	190,508	413,579
Total liabilities, deferred inflows of resources and fund balances	\$ 6,299,779	379,537	2,093,571

See notes to financial statements.

Secondary Roads	Nonmajor	Total
1,273,679	719,826	4,476,667
-	-	321
-	-	6,144,000
-	-	666
49,809	-	151,691
-	95,070	95,070
4,902	-	4,902
282,766	33,004	358,626
1,844,137	-	1,844,137
<u>3,455,293</u>	<u>847,900</u>	<u>13,076,080</u>
310,138	24,437	376,335
2,738	-	17,928
-	-	4,902
1,263	-	28,780
<u>314,139</u>	<u>24,437</u>	<u>427,945</u>
-	-	6,144,000
-	95,070	141,755
-	95,070	6,285,755
1,844,137	-	1,844,137
-	-	305,713
-	-	190,508
-	-	413,579
1,297,017	-	1,297,017
-	369,078	369,078
-	359,315	359,315
-	-	446,682
-	-	90,000
-	-	3,553
-	-	89,805
-	-	952,993
<u>3,141,154</u>	<u>728,393</u>	<u>6,362,380</u>
<u>3,455,293</u>	<u>847,900</u>	<u>13,076,080</u>

Greene County

Greene County

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

June 30, 2019

Total governmental fund balances (page 19)	\$	6,362,380
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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 \$38,229,980 and the accumulated depreciation is \$17,644,890.		20,585,090
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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.		141,755
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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.		237,621
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Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:

Deferred outflows of resources	\$ 917,865		
Deferred inflows of resources	<u>(344,514)</u>		573,351

Long-term liabilities, including the drainage warrants payable, compensated absences payable, net pension liability and total OPEB liability are not due and payable, in the current year and, therefore, are not reported in the governmental funds.		<u>(3,192,951)</u>
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Net position of governmental activities (page 16)	\$	<u>24,707,246</u>
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See notes to financial statements.

Greene County

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

Year ended June 30, 2019

	Special Revenue		
	General	Mental Health	Rural Services
Revenues:			
Property and other county tax	\$ 3,662,603	188,839	1,570,311
Local option sales and services tax	-	-	-
Interest and penalty on property tax	26,711	-	-
Intergovernmental	417,132	15,706	222,108
Licenses and permits	6,858	-	-
Charges for service	554,102	-	1,037
Use of money and property	67,739	-	-
Miscellaneous	288,879	60	4,988
Total revenues	5,024,024	204,605	1,798,444
Expenditures:			
Operating:			
Public safety and legal services	1,670,614	-	473,689
Physical health and social services	493,386	-	-
Mental health	-	424,541	-
County environment and education	518,063	-	168,090
Roads and transportation	-	-	-
Governmental services to residents	379,651	-	-
Administration	2,007,061	-	-
Non-program	142,400	-	-
Debt service	-	-	-
Capital projects	30,252	-	-
Total expenditures	5,241,427	424,541	641,779
Excess (deficiency) of revenues over (under) expenditures	(217,403)	(219,936)	1,156,665
Other financing sources (uses):			
Sale of capital assets	750	-	-
Drainage warrants issued	-	-	-
Transfers in	5,000	-	-
Transfers out	(51,500)	-	(1,138,150)
Total other financing sources (uses)	(45,750)	-	(1,138,150)
Change in fund balances	(263,153)	(219,936)	18,515
Fund balances beginning of year	2,151,899	410,444	395,064
Fund balances end of year	\$ 1,888,746	190,508	413,579

See notes to financial statements.

Secondary Roads	Nonmajor	Total
-	-	5,421,753
-	436,180	436,180
-	-	26,711
3,655,906	7,964	4,318,816
49,386	-	56,244
-	1,909	557,048
25,749	30	93,518
1,000,283	170,982	1,465,192
4,731,324	617,065	12,375,462
-	86,757	2,231,060
-	-	493,386
-	-	424,541
-	7,950	694,103
6,251,632	-	6,251,632
-	6,000	385,651
-	-	2,007,061
-	59,093	201,493
-	95,485	95,485
-	170,092	200,344
6,251,632	425,377	12,984,756
(1,520,308)	191,688	(609,294)
173,438	-	174,188
-	99,293	99,293
1,566,811	-	1,571,811
-	(382,161)	(1,571,811)
1,740,249	(282,868)	273,481
219,941	(91,180)	(335,813)
2,921,213	819,573	6,698,193
3,141,154	728,393	6,362,380

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, 2019

Change in fund balances - Total governmental funds (page 23) \$ (335,813)

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

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

Expenditures for capital assets	\$ 829,114	
Capital assets contributed by the Iowa Department of Transportation	482,925	
Contributed Land	48,300	
Depreciation expense	<u>(1,112,142)</u>	248,197

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. (7,733)

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	17	
Other	<u>4,199</u>	4,216

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	(99,293)	
Repaid	<u>90,003</u>	(9,290)

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. 383,516

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	(12,257)	
Pension expense	(358,088)	
OPEB expense	<u>(27,992)</u>	(398,337)

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. 271,808

Change in net position of governmental activities (page 17) \$ 156,564

See notes to financial statements.

Greene County
Statement of Net Position (Deficit)
Proprietary Fund
June 30, 2019

	Internal Service – Employee Group Health
Current Assets	
Cash and cash equivalents	\$ 331,348
Accounts receivable	48,797
	380,145
Current Liabilities	
Accounts payable	142,524
	142,524
Net Position	
Unrestricted	\$ 237,621
	237,621

See notes to financial statements.

Exhibit H

Greene County

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

Year ended June 30, 2019

		<u>Internal Service – Employee Group Health</u>
Operating revenues:		
Reimbursements from operating funds and other governmental units		\$ 1,478,100
Reimbursements from employees and others		231,531
Insurance reimbursements		<u>226,322</u>
Total operating revenues		1,935,953
Operating expenses:		
Medical claims	\$ 1,336,334	
Insurance premiums	236,581	
Administrative and other fees	31,248	
Prescription charges	<u>59,982</u>	<u>1,664,145</u>
Total operating income		271,808
Net position (deficit) beginning of year		<u>(34,187)</u>
Net position end of year		<u>\$ 237,621</u>

See notes to financial statements.

Greene County

Statement of Cash Flows
Proprietary Fund

Year ended June 30, 2019

	Internal Service – Employee Group Health
Cash flows from operating activities:	
Cash received from operating funds and other reimbursements	\$ 1,709,631
Cash received from insurance reimbursements	177,526
Cash paid to suppliers for services	(1,637,072)
Net cash provided by operating activities	250,085
Cash and cash equivalents beginning of year	81,263
Cash and cash equivalents end of year	\$ 331,348
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 271,808
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in accounts receivable	(48,797)
Increase in accounts payable	27,074
Net cash used by operating activities	\$ 250,085

See notes to financial statements.

Greene County

Greene County
Statement of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2019

Assets

Cash, cash equivalents and pooled investments:	
County Treasurer	\$ 671,033
Other County officials	360,326
Receivables:	
Property tax:	
Delinquent	1,805
Succeeding year	16,283,000
Accounts	17,386
Special assessments	<u>12,179</u>
Total assets	<u>17,345,729</u>

Liabilities

Accounts payable	67
Due to other governments	17,282,030
Trusts payable	59,761
Compensated absences	<u>3,871</u>
Total liabilities	<u>17,345,729</u>

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

Greene County

Notes to Financial Statements

June 30, 2019

(1) Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

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

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

Jointly Governed Organizations – The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Greene County Assessor’s Conference Board, County Emergency Management Commission and Greene County 911 Service Board. Financial transactions of these organizations are included in the County’s financial statements only to the extent of the County’s fiduciary relationship with the organization and, as such, are reported in the Agency Funds of the County.

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

B. Basis of Presentation

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

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

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

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

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

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

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

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

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

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2017 assessed property valuations; is for the tax accrual period July 1, 2018 through June 30, 2019 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2018.

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

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

Special Assessments Receivable – Special assessments receivable represent amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in no more than 15 annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Special assessments receivable represent assessments which have been made but have not been collected.

Due from and Due to Other Funds – During the course of its operations, the County has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2019, 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 cost in excess of the following thresholds and estimated useful lives in excess of two years.

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

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

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

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

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

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation, compensatory time and sick leave hours for subsequent use or for payment upon termination, death or retirement. 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, 2019. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

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

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

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

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

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

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

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

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

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

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

Unassigned – All amounts not included in the preceding classifications.

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

E. Budgets and Budgetary Accounting

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

(2) Cash, Cash Equivalents and Pooled Investments

The County's deposits in banks at June 30, 2019 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 \$593,586. 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, 2019 is as follows:

Receivable Fund	Payable Fund	Amount
Special Revenue:		
Secondary Roads	General	\$ 2,375
	Special Revenue:	
	Rural Services	<u>2,527</u>
		<u>\$ 4,902</u>

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

(4) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2019 is as follows:

Transfer to	Transfer from	Amount
General	Special Revenue:	
	Local Option Sales Tax	<u>\$ 5,000</u>
Special Revenue:		
Secondary Roads	General	51,500
	Special Revenue:	
	Rural Services	1,138,150
	Local Option Sales Tax	<u>377,161</u>
		<u>1,566,811</u>
Total		<u>\$ 1,571,811</u>

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

(5) Capital Assets

Capital assets activity for the year ended June 30, 2019 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,979,012	48,300	-	2,027,312
Construction in progress	26,491	552,577	(8,440)	570,628
Total capital assets not being depreciated	2,005,503	600,877	(8,440)	2,597,940
Capital assets being depreciated:				
Buildings	3,095,350	-	-	3,095,350
Equipment and vehicles	10,445,458	784,724	(498,605)	10,731,577
Infrastructure, other	146,051	-	-	146,051
Infrastructure, road network	21,652,172	8,440	(1,550)	21,659,062
Total capital assets being depreciated	35,339,031	793,164	(500,155)	35,632,040
Less accumulated depreciation for:				
Buildings	1,367,032	54,768	-	1,421,800
Equipment and vehicles	6,893,774	531,593	(467,160)	6,958,207
Infrastructure, other	9,736	4,868	-	14,604
Infrastructure, road network	8,729,366	520,913	-	9,250,279
Total accumulated depreciation	16,999,908	1,112,142	(467,160)	17,644,890
Total capital assets being depreciated, net	18,339,123	(318,978)	(32,995)	17,987,150
Governmental activities capital assets, net	\$ 20,344,626	281,899	(41,435)	20,585,090

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 93,221
County environment and education	36,917
Roads and transportation	956,537
Governmental services to residents	800
Administration	24,667
Total depreciation expense - governmental activities	<u>\$ 1,112,142</u>

(6) Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2019 is as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
General	Services	\$ 27,517
Special Revenue:		
Secondary Roads	Services	<u>1,263</u>
Total for governmental funds		<u>\$ 28,780</u>
Agency:		
County Assessor	Collections	\$ 537,499
Schools		9,657,511
Community Colleges		687,430
Corporations		3,188,004
Auto License and Use Tax		259,277
County Hospital		2,061,248
All other		<u>891,061</u>
Total for agency funds		<u>\$ 17,282,030</u>

(7) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2019 is as follows:

	<u>Drainage Warrants</u>	<u>Compensated Absences</u>	<u>Net Pension Liability</u>	<u>Total OPEB Liability</u>	<u>Total</u>
Balance beginning of year	\$ 85,780	318,177	2,761,073	251,040	3,416,070
Increases	99,293	348,046	-	16,486	463,825
Decreases	<u>90,003</u>	<u>335,789</u>	<u>247,961</u>	<u>13,191</u>	<u>686,944</u>
Balance end of year	<u>\$ 95,070</u>	<u>330,434</u>	<u>2,513,112</u>	<u>254,335</u>	<u>3,192,951</u>
Due within one year	<u>\$ -</u>	<u>268,101</u>	<u>-</u>	<u>-</u>	<u>268,101</u>

Drainage Warrants

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

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

(8) Pension Plan

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

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

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

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

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

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

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

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

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

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

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

In fiscal year 2019, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the County contributed 9.44% of covered payroll, for a total rate of 15.73%. The Sheriff, deputies and the County each contributed 9.76% of covered payroll, for a total rate of 19.52%. Protection occupation members contributed 6.81% of covered payroll and the County contributed 10.21% of covered payroll, for a total rate of 17.02%.

The County’s contributions to IPERS for the year ended June 30, 2019 totaled \$383,516.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2019, the County reported a liability of \$2,513,112 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 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, 2018, the County’s proportion was 0.039713%, which was a decrease of 0.001736% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$358,089. At June 30, 2019, 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	\$ 22,364	75,319
Changes of assumptions	457,282	84,779
Net difference between projected and actual earnings on pension plan investments	-	95,640
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	12,497	69,571
County contributions subsequent to the measurement date	383,516	-
Total	<u>\$ 875,659</u>	<u>325,309</u>

\$383,516 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, 2020. 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
2020	\$ 175,101
2021	76,382
2022	(57,413)
2023	(20,471)
2024	(6,765)
Total	<u>\$ 166,834</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2018 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	6.01%
International equity	15.0	6.48
Global smart beta equity	3.0	6.23
Core plus fixed income	27.0	1.97
Public credit	3.5	3.93
Public real assets	7.0	2.91
Cash	1.0	(0.25)
Private equity	11.0	10.81
Private real assets	7.5	4.14
Private credit	3.0	3.11
Total	100%	

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the County will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$ 4,806,397	2,513,112	589,865

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, 2019.

(9) Other Postemployment Benefits (OPEB)

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

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

Retired participants must be age 55 or older at retirement. At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	<u>77</u>
Total	<u>79</u>

Total OPEB Liability – The County’s total OPEB liability of \$254,335 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation	
(effective June 30, 2019)	2.60% per annum.
Rates of salary increase	3.25% per annum, including
(effective June 30, 2019)	inflation.
Discount rate	3.51% compounded annually,
(effective June 30, 2019)	including inflation.
Healthcare cost trend rate	8.50% initial rate decreasing by .5%
(effective June 30, 2019)	annually to an ultimate rate of 5.00%.

Discount Rate – The discount rate used to measure the total OPEB liability was 3.51% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	<u>\$ 251,040</u>
Changes for the year:	
Service cost	23,786
Interest	10,383
Differences between expected and actual experiences	(22,406)
Changes in assumptions	4,723
Benefit payments	<u>(13,191)</u>
Net changes	<u>3,295</u>
Total OPEB liability end of year	<u>\$ 254,335</u>

Changes of assumptions reflect a change in the discount rate from 3.87% in fiscal year 2018 to 3.51% in fiscal year 2019.

Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.51%) or 1% higher (4.51%) than the current discount rate.

	<u>1% Decrease (2.51%)</u>	<u>Discount Rate (3.51%)</u>	<u>1% Increase (4.51%)</u>
Total OPEB liability	\$ 267,584	254,335	241,306

Sensitivity of the County's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (7.50%) or 1% higher (9.50%) than the current healthcare cost trend rates.

	<u>1% Decrease (7.50%)</u>	<u>Healthcare Cost Trend Rate (8.50%)</u>	<u>1% Increase (9.50%)</u>
Total OPEB liability	\$ 226,587	254,335	286,919

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2019, the County recognized OPEB expense of \$27,992. At June 30, 2019, the County reported deferred outflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 37,153	(19,205)
Changes in assumptions	5,053	0
Total	<u>\$ 42,206</u>	<u>(19,205)</u>

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

Year ending June 30,	Amount
2020	\$ 7,014
2021	7,014
2022	7,014
2023	7,012
2024	(2,526)
Thereafter	<u>(2,527)</u>
	<u>\$ 23,001</u>

(10) Risk Management

The County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 778 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

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

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

The County's property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The County's contributions to the Pool for the year ended June 30, 2019 were \$154,493.

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, 2019, no liability has been recorded in the County's financial statements. As of June 30, 2019, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

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

(11) Employee Health Insurance Plan

The Internal Service, Employee Group Health Fund was established January 1, 2010 to account for the partial self-funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with 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 Wellmark from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2019 was \$1,478,100.

Amounts payable from the Employee Group Health Fund at June 30, 2019 total \$142,524, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior year and current year claims and to establish a reserve for catastrophic losses. That was \$237,621 at June 30, 2019 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	\$ 115,450
Incurred claims (including claims incurred but not reported at June 30, 2019)	1,396,316
Payments on claims during the year	<u>(1,369,242)</u>
Unpaid claims end of year	<u>\$ 142,524</u>

(12) Tax Abatements

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

Tax Abatements of Other Entities

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2019 under agreements entered into by the following entities:

<u>Entity</u>	<u>Tax Abatement Program</u>	<u>Amount of Tax Abated</u>
City of Jefferson	Urban renewal and economic development projects	\$ 35,415

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

Central Iowa Community Services, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa, includes the following member counties: Boone County, Franklin County, Greene County, Hamilton County, Hardin County, Jasper County, Madison County, Marshall County, Poweshiek County, Story County and Warren County. The financial activity of the County's Special Revenue, Mental Health Fund is included in the Central Iowa Community Services for the year ended June 30, 2019, as follows:

Revenues:		
Property and other county tax		\$ 188,839
Intergovernmental:		
State tax credits		15,706
Miscellaneous		<u>60</u>
Total revenues		<u>204,605</u>
Expenditures:		
Services to persons with:		
Mental illness		94,639
General administration:		
Distribution to regional fiscal agent	<u>329,902</u>	<u>329,902</u>
Total expenditures		<u>424,541</u>
Excess of expenditures over revenues		(219,936)
Fund balance beginning of year		<u>410,444</u>
Fund balance end of year		<u>\$ 190,508</u>

(14) Prospective Accounting Change

Governmental Accounting Standards Board has issued Statement No. 84, Fiduciary Activities. This statement will be implemented for the fiscal year ending June 30, 2020. The revised requirements of this statement will enhance the consistency and comparability of fiduciary activity reporting by state and local governments by establishing specific criteria for identifying fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities.

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, 2019

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	\$ 5,856,702	-	5,856,702
Interest and penalty on property tax	26,748	-	26,748
Intergovernmental	4,315,591	-	4,315,591
Licenses and permits	53,499	-	53,499
Charges for service	501,178	-	501,178
Use of money and property	95,648	-	95,648
Miscellaneous	1,689,907	118,677	1,571,230
Total receipts	<u>12,539,273</u>	<u>118,677</u>	<u>12,420,596</u>
Disbursements:			
Public safety and legal services	2,198,409	-	2,198,409
Physical health and social services	488,485	-	488,485
Mental health	425,519	-	425,519
County environment and education	699,368	-	699,368
Roads and transportation	6,190,948	-	6,190,948
Governmental services to residents	385,365	-	385,365
Administration	2,021,162	-	2,021,162
Non-program	201,492	-	201,492
Debt service	5,483	5,483	-
Capital projects	242,345	166,739	75,606
Total disbursements	<u>12,858,576</u>	<u>172,222</u>	<u>12,686,354</u>
Excess (deficiency) of receipts over (under) disbursements	(319,303)	(53,545)	(265,758)
Other financing sources, net	183,479	9,291	174,188
Excess (deficiency) of receipts over (under) disbursements and other financing uses	(135,824)	(44,254)	(91,570)
Balance beginning of year	<u>4,612,491</u>	<u>437,511</u>	<u>4,174,980</u>
Balance end of year	<u>\$ 4,476,667</u>	<u>393,257</u>	<u>4,083,410</u>

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Net
		Variance
5,786,582	5,801,582	55,120
20,000	20,000	6,748
4,431,834	4,456,834	(141,243)
61,625	61,625	(8,126)
469,000	489,000	12,178
39,547	49,547	46,101
548,393	1,482,019	89,211
11,356,981	12,360,607	59,989
1,945,560	2,258,037	59,628
616,660	596,660	108,175
375,490	455,490	29,971
696,323	706,323	6,955
5,906,100	6,231,100	40,152
396,638	390,638	5,273
1,963,653	2,096,653	75,491
210,000	210,000	8,508
-	-	-
241,517	235,017	159,411
12,351,941	13,179,918	493,564
(994,960)	(819,311)	553,553
-	-	174,188
(994,960)	(819,311)	727,741
4,106,758	4,149,205	25,775
3,111,798	3,329,894	753,516

Greene County

Greene County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2019

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 12,539,273	(163,811)	12,375,462
Expenditures	12,858,576	126,180	12,984,756
Net	(319,303)	(289,991)	(609,294)
Other financing sources (uses), net	183,479	90,002	273,481
Beginning fund balances	4,612,491	2,085,702	6,698,193
Ending fund balances	<u>\$ 4,476,667</u>	<u>1,885,713</u>	<u>6,362,380</u>

See accompanying independent auditor's report.

Greene County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2019

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, one budget amendment increased budgeted disbursements by \$827,977. The budget amendments are reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the 911 System by the Joint 911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2019, disbursements did not exceed the amounts budgeted.

Greene County

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

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

Required Supplementary Information

	2019	2018	2017	2016	2015
County's proportion of the net pension liability	0.039713%	0.041449%	0.042557%	0.041815%	0.040909%
County's proportionate share of the net pension liability	\$ 2,513	2,761	2,678	2,066	1,622
County's covered payroll	\$ 3,757	3,659	3,594	3,454	3,377
County's proportionate share of the net pension liability as a percentage of its covered payroll	66.89%	75.46%	74.51%	59.81%	48.03%
IPERS' net position as a percentage of the total pension liability	83.62%	82.21%	81.82%	87.61%	87.61%

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

See accompanying independent auditor's report.

Greene County

Schedule of County Contributions

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

Required Supplementary Information

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contribution	\$ 384	341	332	327
Contributions in relation to the statutorily required contribution	<u>(384)</u>	<u>(341)</u>	<u>(332)</u>	<u>(327)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 4,008	3,757	3,659	3,594
Contributions as a percentage of covered payroll	9.58%	9.08%	9.07%	9.10%

See accompanying independent auditor's report.

2015	2014	2013	2012	2011	2010
315	308	297	269	238	217
(315)	(308)	(297)	(269)	(238)	(217)
-	-	-	-	-	-
3,454	3,377	3,325	3,209	3,220	3,127
9.12%	9.12%	8.93%	8.38%	7.39%	6.94%

Greene County

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2019

Changes of benefit terms:

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

Changes of assumptions:

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

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

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

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

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

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

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

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

Greene County

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

For the Last Two Years
Required Supplementary Information

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

See accompanying independent auditor's report.

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

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

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

Year ended June 30, 2019	3.51%
Year ended June 30, 2018	3.87%
Year ended June 30, 2017	3.58%

Greene County

Supplementary Information

Greene County
 Combining Balance Sheet
 Nonmajor Governmental Funds

June 30, 2019

	Special		
	County Recorder's Records		
	Management	REAP	Forfeiture
Assets			
Cash, cash equivalents and pooled investments	\$ 5,937	12,158	13,314
Receivables:			
Drainage assessments	-	-	-
Due from other governments	-	-	-
Total assets	\$ 5,937	12,158	13,314
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	5,937	12,158	13,314
Total fund balances	5,937	12,158	13,314
Total liabilities, deferred inflows of resources and fund balances	\$ 5,937	12,158	13,314

See accompanying independent auditor's report.

Revenue				
Drainage Districts	Local Option Sales Tax	K-9	Ethanol Plant Agreement	Total
393,257	228,099	4,494	62,567	719,826
95,070	-	-	-	95,070
-	33,004	-	-	33,004
488,327	261,103	4,494	62,567	847,900
24,179	-	258	-	24,437
95,070	-	-	-	95,070
369,078	-	-	-	369,078
-	261,103	4,236	62,567	359,315
369,078	261,103	4,236	62,567	728,393
488,327	261,103	4,494	62,567	847,900

Greene County

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

Year ended June 30, 2019

	Special		
	County Recorder's Records		
	Management	REAP	Forfeiture
Revenues:			
Local option sales and services tax	\$ -	-	-
Intergovernmental	-	7,964	-
Charges for service	1,909	-	-
Use of money and property	16	14	-
Miscellaneous	-	-	190
Total revenues	1,925	7,978	190
Expenditures:			
Operating:			
Public safety and legal services	-	-	2,926
County environment and education	-	-	-
Government Services	6,000	-	-
Non-program	-	-	-
Debt service	-	-	-
Capital projects	-	1,680	-
Total expenditures	6,000	1,680	2,926
Excess (deficiency) of revenues over (under) expenditures	(4,075)	6,298	(2,736)
Other financing sources (uses):			
Drainage warrants issued	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Change in fund balances	(4,075)	6,298	(2,736)
Fund balances beginning of year	10,012	5,860	16,050
Fund balances end of year	\$ 5,937	12,158	13,314

See accompanying independent auditor's report.

Revenue				
Drainage Districts	Local Option Sales Tax	K-9	Ethanol Plant Agreement	Total
-	436,180	-	-	436,180
-	-	-	-	7,964
-	-	-	-	1,909
-	-	-	-	30
118,677	-	2,115	50,000	170,982
118,677	436,180	2,115	50,000	617,065
-	80,000	3,831	-	86,757
-	7,950	-	-	7,950
-	-	-	-	6,000
-	-	-	59,093	59,093
95,485	-	-	-	95,485
168,412	-	-	-	170,092
263,897	87,950	3,831	59,093	425,377
(145,220)	348,230	(1,716)	(9,093)	191,688
99,293	-	-	-	99,293
-	(382,161)	-	-	(382,161)
99,293	(382,161)	-	-	(282,868)
(45,927)	(33,931)	(1,716)	(9,093)	(91,180)
415,005	295,034	5,952	71,660	819,573
369,078	261,103	4,236	62,567	728,393

Greene County
 Combining Schedule of Fiduciary Assets and Liabilities
 Agency Funds

June 30, 2019

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ -	1,049	248,411	48,750
Other County officials	25,703	-	-	-
Receivables:				
Property tax:				
Delinquent	-	18	26	761
Succeeding year	-	210,000	293,000	9,608,000
Accounts	17,386	-	-	-
Special assessments	-	-	-	-
Total assets	\$ 43,089	211,067	541,437	9,657,511
Liabilities				
Liabilities:				
Accounts payable	\$ -	-	67	-
Due to other governments	28,526	211,067	537,499	9,657,511
Trusts payable	14,563	-	-	-
Compensated absences	-	-	3,871	-
Total liabilities	\$ 43,089	211,067	541,437	9,657,511

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	County Hospital	Other	Total
4,356	34,254	1,020	8,101	259,277	10,078	55,737	671,033
-	-	-	-	-	-	334,623	360,326
74	750	6	-	-	170	-	1,805
683,000	3,153,000	283,000	-	-	2,051,000	2,000	16,283,000
-	-	-	-	-	-	-	17,386
-	-	-	12,179	-	-	-	12,179
687,430	3,188,004	284,026	20,280	259,277	2,061,248	392,360	17,345,729
-	-	-	-	-	-	-	67
687,430	3,188,004	284,026	20,280	259,277	2,061,248	347,162	17,282,030
-	-	-	-	-	-	45,198	59,761
-	-	-	-	-	-	-	3,871
687,430	3,188,004	284,026	20,280	259,277	2,061,248	392,360	17,345,729

Greene County

Combining Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds

Year ended June 30, 2019

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets and Liabilities				
Balances beginning of year	\$ 66,136	204,759	546,963	9,115,419
Additions:				
Property and other county tax	-	210,138	293,792	9,640,615
State tax credits	-	16,979	25,517	769,469
911 surcharge	-	-	-	-
Office fees and collections	301,047	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	262,366	-	-	-
Miscellaneous	-	-	35	-
Total additions	563,413	227,117	319,344	10,410,084
Deductions:				
Agency remittances:				
To other funds	151,886	-	-	-
To other governments	174,805	220,809	324,870	9,867,992
Trusts paid out	259,769	-	-	-
Total deductions	586,460	220,809	324,870	9,867,992
Balances end of year	\$ 43,089	211,067	541,437	9,657,511

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	County Hospital	Other	Total
827,501	3,260,537	263,886	25,021	270,774	1,963,759	248,425	16,793,180
685,619	3,109,573	281,604	-	-	2,055,671	1,855	16,278,867
69,877	445,144	16,314	-	-	163,075	154	1,506,529
-	-	-	-	-	-	244,995	244,995
-	-	-	-	-	-	17,999	319,046
-	-	-	-	3,573,068	-	-	3,573,068
-	-	-	28,912	-	-	-	28,912
-	-	-	-	-	-	-	262,366
-	-	-	-	-	-	137,744	137,779
755,496	3,554,717	297,918	28,912	3,573,068	2,218,746	402,747	22,351,562
-	-	-	-	132,058	-	-	283,944
895,567	3,627,250	277,778	33,653	3,452,507	2,121,257	238,669	21,235,157
-	-	-	-	-	-	20,143	279,912
895,567	3,627,250	277,778	33,653	3,584,565	2,121,257	258,812	21,799,013
687,430	3,188,004	284,026	20,280	259,277	2,061,248	392,360	17,345,729

Greene County

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

For the Last Ten Years

	2019	2018	2017	2016
Revenues:				
Property and other county tax	\$ 5,421,753	5,212,426	4,984,339	4,940,267
Local option sales and services tax	436,180	370,556	400,549	428,566
Interest and penalty on property tax	26,711	19,636	26,965	25,995
Intergovernmental	4,318,816	4,185,932	4,388,979	4,655,323
Licenses and permits	56,244	85,524	61,398	50,014
Charges for service	557,048	617,204	494,141	453,684
Use of money and property	93,518	82,915	51,482	49,158
Miscellaneous	1,465,192	1,371,712	1,210,203	623,894
Total	\$ 12,375,462	11,945,905	11,618,056	11,226,901
Expenditures:				
Operating:				
Public safety and legal services	\$ 2,231,060	1,980,150	1,614,199	1,656,163
Physical health and social services	493,386	421,169	396,540	428,158
Mental health	424,541	371,950	408,236	282,627
County environment and education	694,103	677,502	866,841	1,034,490
Roads and transportation	6,251,632	5,673,318	4,777,195	5,130,317
Governmental services to residents	385,651	373,299	368,400	365,268
Administration	2,007,061	1,828,791	2,137,658	1,588,383
Non-program	201,493	287,483	143,674	220,652
Debt service	95,485	289,906	201,832	43,645
Capital projects	200,344	253,154	408,573	856,638
Total	\$ 12,984,756	12,156,722	11,323,148	11,606,341

See accompanying independent auditor's report.

2015	2014	2013	2012	2011	2010
4,895,908	4,876,014	5,050,566	4,651,181	4,964,479	4,438,624
420,581	363,453	330,372	335,478	334,826	359,816
20,182	23,963	22,814	24,080	32,089	26,982
3,790,906	3,557,257	3,480,544	3,756,555	4,767,583	4,010,169
39,461	50,269	50,377	56,797	49,114	40,939
384,805	388,136	344,026	410,704	410,474	345,286
48,698	49,371	52,357	38,425	47,782	45,248
814,439	576,991	1,031,202	719,594	677,114	618,629
10,414,980	9,885,454	10,362,258	9,992,814	11,283,461	9,885,693
1,482,132	1,501,937	1,388,685	1,340,259	1,345,041	1,333,360
397,514	402,455	399,292	365,858	397,472	432,946
338,947	353,076	319,807	1,422,092	1,226,104	1,087,399
872,788	840,761	804,143	815,295	780,196	839,485
4,745,432	4,424,435	3,973,101	3,834,991	4,137,876	4,315,317
351,230	337,782	454,932	347,980	323,357	318,275
1,504,026	1,451,872	1,454,755	1,394,137	1,338,824	1,247,531
175,000	-	-	26,000	36,692	-
90,953	349,820	719,667	224,505	263,106	218,979
207,133	225,210	541,880	654,489	642,159	367,625
10,165,155	9,887,348	10,056,262	10,425,606	10,490,827	10,160,917



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

To the Officials of Greene County:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Greene County, Iowa, as of and for the year ended June 30, 2019, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 11, 2020.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2019 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

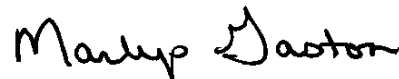
Greene County's Responses to the Findings

Greene County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. Greene County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Greene County during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



Marlys K. Gaston, CPA
Deputy Auditor of State

March 11, 2020

Greene County
Schedule of Findings
Year ended June 30, 2019

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

(A) Segregation of Duties

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

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

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

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

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

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

Greene County

Schedule of Findings

Year ended June 30, 2019

Responses –

County Treasurer – After completing the bank reconciliation, I will prepare documents for another party to review. I will have them sign and date the reports. Starting in January, twice per month, I will have someone in our office (other than the one whom will record the payments) log all of the checks we receive in the mail.

County Sheriff – I have hired a Secretary Assistant that is still training and is starting full time in July 2020.

County Recorder – We plan to segregate these duties to the best we can with limited staff.

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

(B) County Sheriff Bank Deposit Receipts

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

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

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

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

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

Response – I have hired an assistant to the Sheriff Secretary that will be helping with the segregation of duties and also verifying the secretary's books.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Greene County

Schedule of Findings

Year ended June 30, 2019

Other Findings Related to Required Statutory Reporting:

- (1) Certified Budget – Disbursements during the year ended June 30, 2019 did not exceed the amounts budgeted.
- (2) Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- (3) Travel Expenses – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- (4) Business Transactions – Business transactions between the County and County officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Mike Wyatt, Custodian, owner of Wyatt Water Conditioning	Supplies	\$ 558
James Carman, Secondary Roads Equipment Operator 3, owner of Carman Tree Service	Tree removal/trimming	885
Dan Towers, Conservation Director, nephew owns Towers Construction	Remodeling of concession stand	1,185
Mike Wahl, Ambulance Owner of Wahl-McAttee Tire Service	Vehicle maintenance supplies and services	13,753

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

In accordance with Chapter 331.342(2)(j) of the Code of Iowa, the transactions with Wahl-McAttee Tire Service may represent conflicts of interest as defined by Chapter 331.342 of the Code of Iowa.

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

Response – The County has consulted with the Greene County Attorney, who has determined that the highlighted transaction with Wahl-McAttee Tire Service did not constitute a conflict of interest within the meaning of Iowa Code Section 331.342. Mike Wahl’s remuneration of employment was not directly affected as a result of the contracts between Greene County and Wahl-McAttee Tire Service for the provision of tire services, and the duties of his employment did not directly involve the procurement or preparation of any part of the aforementioned contracts.

Conclusion – Response accepted.

Greene County

Schedule of Findings

Year ended June 30, 2019

- (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, 2019 for the County Extension Office did not exceed the amount budgeted.

- (10) Ag Land Tax Credit and Tax Statements – During fiscal year 2019, the County received \$37,754 more in ag land tax credit from the State than what was reflected on the County’s abstract of taxes. The overpayment was the result of an inadvertent error in the tax billing process that caused an incorrect levy for computing the 2018/2019 ag land credit. The incorrect credit was included on the tax statements for parcels qualifying for the ag land credit. The County contacted the Iowa Department of Revenue and the Iowa Department of Management to verify the error and to determine what steps to take to correct the error. The State did not want a refund of the excess not distributed to taxpayers in the form of ag land credit.

Based on a review of the abstract, 10,196 parcels were shorted ag land credit which calculates to an average of \$3.71 per parcel. In accordance with Chapters 445.60 and 331.41 (1)(r) of the Code of Iowa, the County is not required to refund overpayments of \$5.00 or less, unless the taxpayer requests a refund. A refund request must be presented to the Board within two years of the date the tax was due.

Recommendation – The County should establish procedures to ensure the abstract of taxes is accurate and includes the correct credits.

Greene County

Schedule of Findings

Year ended June 30, 2019

Response – Upon discovery of the error, the County determined how it happened, reported it and then took steps to ensure this type error does not recur. The additional \$37,754 was apportioned to each of the taxing entities as part of their funding for credits (Schools, Cities, Hospital, Assessor, Ag Extension, Townships, etc.) Greene County itself was apportioned just under \$12,000 of the excess credit which was deposited into the general basic, general supplemental, rural basic and mental health funds. Those monies were used to help meet the legal expenditures of the county as related to each of the separate funds.

Conclusion – Response accepted.

Greene County

Staff

This audit was performed by:

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Sarah K. Nissen, Staff Auditor
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