

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

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Des Moines, Iowa 50319-0004
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NEWS RELEASE

Contact: Brian Brustkern
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FOR RELEASE

March 29, 2024

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

FINANCIAL HIGHLIGHTS:

The County's revenues totaled \$15,854,449 for the year ended June 30, 2023, a 1.0% increase. Expenses for County operations for the year ended June 30, 2023 totaled \$12,933,729, a 1.9% increase.

AUDIT FINDINGS:

Sand reported seven findings related to the receipt and expenditure of taxpayer funds. They are found on pages 84 through 90 of this report. The findings address issues such as lack of segregation of duties, material amounts of capital asset additions not properly recorded in the County's financial statements, bank reconciliations not prepared properly by County Recorder and related party transactions. Sand provided the County with recommendations to address each of these findings.

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

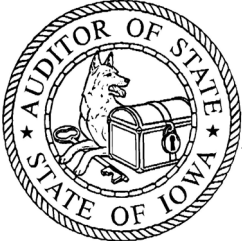
A copy of the audit report is available for review on the Auditor of State's website at [Audit Reports – Auditor of State](#).

#

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

JUNE 30, 2023

Greene County



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Des Moines, Iowa 50319-0004
Telephone (515) 281-5834 Facsimile (515) 281-6518

March 25, 2024

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, 2023. 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, appearing to read "Rob Sand".

Rob Sand
Auditor of State

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Greene County

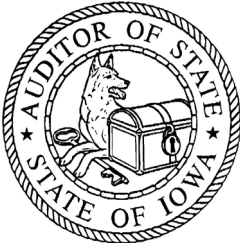
Officials

(Before January 2023)

<u>Name</u>	<u>Title</u>	<u>Term Expire</u>
Thomas Contner	Board of Supervisors	Jan 2023
Dawn Rudolph	Board of Supervisors	Jan 2023
Mick Burkett	Board of Supervisors	Jan 2025
John Muir	Board of Supervisors	Jan 2025
Peter Bardole	Board of Supervisors	Jan 2025
Jane Heun	County Auditor	Jan 2025
Katlynn Gannon-Mechaelsen	County Treasurer	Jan 2023
Deb McDonald	County Recorder	Jan 2023
Jack Williams	County Sheriff	Jan 2025
Thomas Laehn	County Attorney	Jan 2023
Adam Smith	County Assessor	Jan 2028

(After January 2023)

<u>Name</u>	<u>Title</u>	<u>Term Expire</u>
Mick Burkett	Board of Supervisors	Jan 2025
John Muir	Board of Supervisors	Jan 2025
Peter Bardole	Board of Supervisors	Jan 2025
Dan Benitz	Board of Supervisors	Jan 2027
Dawn Rudolph	Board of Supervisors	Jan 2027
Jane Heun	County Auditor	Jan 2025
Katlynn Gannon-Mechaelsen	County Treasurer	Jan 2027
Deb McDonald	County Recorder	Jan 2027
Jack Williams	County Sheriff	Jan 2025
Thomas Laehn	County Attorney	Jan 2027
Adam Smith	County Assessor	Jan 2028



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Independent Auditor's Report

To the Officials of Greene County:

Report on the Audit of the Financial Statements

Opinions

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, 2023, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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, 2023 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Greene County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 16 to the financial statements, Greene County adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology Arrangements. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Greene County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Greene County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Greene County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 58 through 70 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

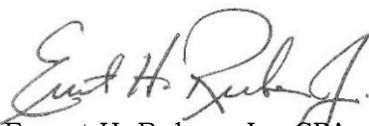
Supplementary Information

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, 2022 (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.

Such 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. The 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 GAAS. In our opinion, the supplementary information in Schedules 1 through 5 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 25, 2024 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.


Ernest H. Ruben, Jr., CPA
Chief Deputy Auditor of State

March 25, 2024

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, 2023. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2023 FINANCIAL HIGHLIGHTS

- The County implemented Governmental Accounting Standards Board Statement (GASBS) No. 96, Subscription-Based Information Technology Arrangements (SBITAs), during fiscal year 2023. The implementation for this standard revised certain asset and liability accounts related to SBITAs, however had no effect on the beginning net position for governmental activities.
- The Governor signed Senate File 619 on June 16, 2021 which significantly changed mental health funding. The County was required to transfer the remaining fund balance of the Special Revenue, Mental Health Fund to the Central Iowa Community Services Region prior to June 30, 2022.
- Revenues of the County's governmental activities increased 1.0%, or approximately \$162,000 during fiscal year 2023. Operating grants, contributions and restricted interest decreased approximately \$404,000. Property taxes and other taxes, including Tax Increment Financing and Local Option Sales Tax, increased 7.4%, or \$563,000 and charges for services decreased 16.8%, or approximately \$369,000 from fiscal year 2022.
- Program expenses of the County's governmental activities increased 1.6%, or approximately \$210,000. The largest program expense decreases were in the areas of mental health (approximately \$187,000 or 100.0%) and county environment and education (approximately \$127,000, or 12.8%). These were offset by program expense increases in the areas of roads and transportation (approximately \$160,000, or 2.9%), public safety and legal services (approximately \$141,000, or 5.3%) and governmental services to residents (approximately \$119,000, or 34.6%).
- The County's net position increased 11.6%, or approximately \$2,952,000 during fiscal year 2023.

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 (Custodial 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 (asset) 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 Custodial 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, county environment and education, roads and transportation, governmental services to residents, administration, interest on long-term debt and non-program activities. Property tax and state and federal grants finance most of these activities.

Fund Financial Statements

The County has three kinds of funds:

- 1) Governmental funds account for most of the County's basic services. These focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Rural Services and Secondary Roads, 3) the Debt Service Fund and 4) the Capital Projects Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

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

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

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

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

The required financial statements for fiduciary funds include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

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,	
	2023	2022
Current and other assets	\$ 25,216	20,708
Capital assets	23,633	22,815
Total assets	48,849	43,523
Deferred outflows of resources	687	663
Long-term liabilities	9,616	5,754
Other liabilities	2,355	2,065
Total liabilities	11,971	7,819
Deferred inflows of resources	9,238	10,961
Net position:		
Invested in capital assets	22,905	22,316
Restricted	7,207	6,306
Unrestricted	(1,785)	(3,216)
Total net position	\$ 28,327	25,406

Net position of Greene County’s governmental activities increased approximately \$2,921,000, or 11.5%.

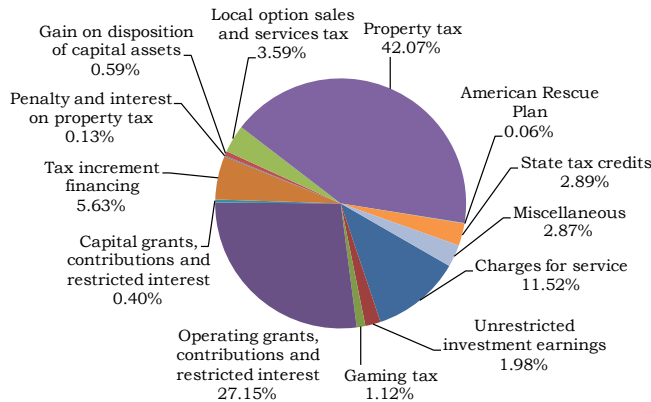
The largest portion of the County’s net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment) less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased approximately \$589,000, or 2.6 % over the prior year. This increase is primarily due to a capital project for a peace officer’s communication tower.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position category increased \$932,000, or 14.8%. This increase is primarily due to an increase in the amounts held at year end in the Special Revenue, Tax Increment Financing Fund.

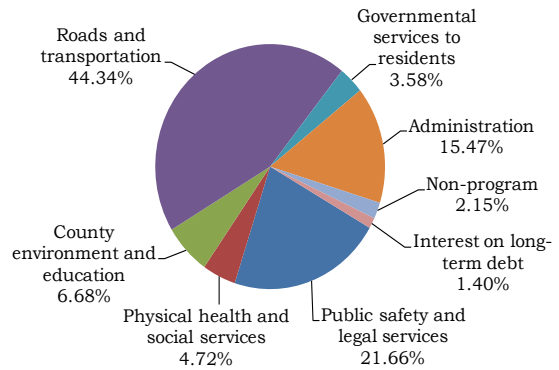
Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased from a deficit of approximately \$3,216,000 at June 30, 2022 to a deficit of approximately \$1,785,000 at the end of this year, an improvement of 44.5%. The unrestricted net position deficit is due to reporting the general obligation capital loan notes and net pension liability.

Changes in Net Position of Governmental Activities		
(Expressed in Thousands)		
	Year ended June 30,	
	2023	2022
Revenues:		
Program revenues:		
Charges for service	\$ 1,827	2,196
Operating grants, contributions and restricted interest	4,304	4,708
Capital grants, contributions and restricted interest	64	7
General revenues:		
Property tax	6,669	6,444
Tax increment financing	892	513
Penalty and interest on property tax	20	31
State tax credits	459	494
Local option sales and services tax	570	611
Gaming tax	177	181
American Rescue Plan	10	6
Unrestricted investment earnings	314	33
Gain on disposition of capital assets	94	323
Miscellaneous	455	146
Total revenues	<u>15,855</u>	<u>15,693</u>
Program expenses:		
Public safety and legal services	2,802	2,661
Physical health and social services	610	591
Mental health	-	187
County environment and education	864	991
Roads and transportation	5,735	5,575
Governmental services to residents	463	344
Administration	2,001	1,930
Non-program	278	260
Interest on long-term debt	181	154
Total expenses	<u>12,934</u>	<u>12,693</u>
Change in net position	2,921	3,000
Net position beginning of year	<u>25,406</u>	<u>22,406</u>
Net position end of year	<u>\$ 28,327</u>	<u>25,406</u>

Revenues by Source



Expenses by Program



Overall, Greene County’s revenues for governmental activities increased approximately \$162,000 over the prior year and expenses increased approximately \$241,000.

The County decreased property tax rates for fiscal year 2023 an average of 6.5%. The County’s property tax revenue increased approximately \$225,000 in fiscal year 2023 as a result increasing property valuations. Taxable valuation (without gas and electric utilities) for each fiscal year and total dollars levied are as follows:

	For Taxes Levied By Fiscal Year	
	2023	2022
County-wide taxable valuation	\$ 795,058,062	729,584,293
Dollars levied county-wide	4,921,676	4,748,236
Rural taxable valuation	599,149,618	527,409,253
Dollars levied rural area only	1,845,381	1,793,191
Total dollars levied	6,767,057	6,541,427

County-wide property tax revenue is budgeted to increase approximately \$454,000 in fiscal year 2024 and rural services property tax revenue is budgeted to increase approximately \$102,000. The county-wide taxable valuation increased in fiscal year 2024 to \$805,431,459 or approximately 1.3%.

INDIVIDUAL MAJOR FUND ANALYSIS

As Greene County completed the year, its governmental funds reported a combined fund balance of approximately \$11.7 million, an increase of approximately \$4.0 million over last year’s total of approximately \$7.7 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 \$462,000, primarily due to an increase in property tax receipts. Expenditures decreased approximately \$571,000, primarily due to the purchase of a building during the year ended June 30, 2022. The ending fund balance increased approximately \$362,000 from the prior year to approximately \$2,349,000.
- The Special Revenue, Rural Services Fund balance increased approximately \$22,000. Revenues increased approximately \$21,000 while expenditures increased approximately \$9,000.
- Special Revenue, Secondary Roads Fund revenues increased approximately \$127,000, or 2.9%, and expenditures increased approximately \$265,000, or 4.6%. The ending fund balance increased approximately \$147,000 over the prior year. This increase in expenditures is primarily due to increased payroll expenditures.

- During the year ended June 30, 2023, the County issued \$3,020,000 of general obligation notes to help finance the construction of a communications tower. The proceeds from the bond issue were placed in the Capital Projects Fund to account for this project. Bond proceeds of \$2,751,586 remained in the Capital Projects Fund at the end of the year.

BUDGETARY HIGHLIGHTS

Over the course of the year, Greene County amended its budget two times. The first amendment was made in February 2023 and increased budgeted revenues and other sources by \$3,464,300 and increased budgeted expenditures and other uses by \$3,236,499. The amendment included an estimated \$3,300,000 increase in general long-term debt proceeds and an estimated \$3,086,000 increase in capital project expenditures for the construction of a communications tower.

A second amendment was made in May 2023 and increased budgeted receipts by \$239,875 and increased budgeted disbursements by \$33,265. This amendment was made to provide for additional disbursements in certain County departments.

The County’s cash basis receipts were \$14,076 less than the amended budget, a variance of less than 1%.

Total cash basis disbursements were \$4,650,225 less than the amended budget, a variance of 24.3%. Actual disbursements for the administration and capital project functions were \$1,741,529 and \$2,495,578, respectively, less than budgeted. This was primarily due to planned HVAC upgrades and the communications tower project not proceeding as anticipated. During the year ended June 30, 2023, expenditures did not exceed the amounts budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, Greene County had approximately \$23.6 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads, bridges and leases. This is a net increase (including additions and deletions) of approximately \$818,000 or 3.6%, over last year.

Capital Assets of Governmental Activities at Year End (Expressed in Thousands)		
	June 30,	
	2023	2022
Land	\$ 2,027	2,027
Construction in progress	658	84
Buildings	3,157	2,780
Right-to-use lease assets	50	48
Right-to-use subscription assets	113	-
Improvements other than buildings	141	125
Equipment and vehicles	4,876	4,738
Infrastructure	12,611	13,013
Total	\$ 23,633	22,815
This year's major additions included:		
Sheriff vehicles and equipment		135
Conservation monument and signage		79
Conservation equipment		69
Secondary roads trucks, shop and equipment		1,207
Communication tower construction in progress		508
Roads construction in progress		64
Right-to-use subscription assets		141
Total		\$ 2,203

The County had depreciation expense of \$1,390,966 in fiscal year 2023 and total accumulated depreciation of \$21,256,377 at June 30, 2023. More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

Long-Term Debt

At June 30, 2023, Greene County had approximately \$8,107,000 of general obligation notes and other debt outstanding, compared to approximately \$7,322,000 at June 30, 2022, as shown below.

Outstanding Debt of Governmental Activities at Year End		
	June 30,	
	2023	2022
General obligation	\$ 7,535	4,715
Installment purchase	300	450
Lease agreements	50	49
IT subscription agreements	110	-
Drainage warrants	112	86
	\$ 8,107	7,322

The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. Greene County's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$62.4 million. Additional information about the County's long-term debt is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Greene County's elected and appointed officials carefully considered many factors when setting the fiscal year 2024 budget, tax rates and fees charged for various County activities. One of those factors is the economy. Unemployment in the County now stands at 2.0% versus 4.4% a year ago. This compares with the State's unemployment rate of 3.3% and the national rate of 3.6%. The amount available for appropriation in the fiscal year 2024 operating budget is approximately \$23.8 million, a decrease of approximately 4.3% from the final fiscal year 2023 budget. Greene County's operating fund balances are expected to decrease approximately \$2.5 million as the County completes capital projects related to roads and other county projects.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

Basic Financial Statements

Exhibit A

Greene County
Statement of Net Position
June 30, 2023

	<u>Governmental Activities</u>
Assets	
Cash, cash equivalents and pooled investments	\$ 12,777,693
Receivables:	
Property tax:	
Delinquent	65
Succeeding year	7,282,000
Succeeding year tax increment financing	1,289,000
Interest and penalty on property tax	920
Accrued interest	33,234
Accounts	119,522
Drainage assessments	111,760
Opioid settlement	215,591
Due from other governments	973,389
Lease agreements	77,743
Inventories	2,335,081
Capital assets not being depreciated	2,685,670
Capital assets, net of accumulated depreciation	<u>20,947,523</u>
Total assets	<u>48,849,191</u>
Deferred Outflows of Resources	
Pension related deferred outflows	682,932
OPEB related deferred outflows	<u>4,015</u>
Total deferred outflows of resources	<u>686,947</u>

Greene County
Statement of Net Position
June 30, 2023

	Governmental Activities
Liabilities	
Accounts payable	515,541
Accrued interest payable	30,617
Salaries and benefits payable	14,548
Due to other governments	33,164
Unearned revenue	1,761,047
Long-term liabilities:	
Portion due or payable within one year:	
General obligation notes	605,000
Installment loan	150,000
Lease agreements	14,199
IT subscription liability	25,738
Compensated absences	286,713
Portion due or payable after one year:	
General obligation notes	6,930,000
Installment loan	150,000
Drainage warrants	111,760
Lease agreements	35,593
IT subscription liability	84,326
Compensated absences	82,804
Net pension liability	989,606
Total OPEB liability	150,242
Total liabilities	11,970,898
Deferred Inflows of Resources	
Lease related	77,743
Unavailable property tax revenue	7,282,000
Unavailable tax increment financing revenue	1,289,000
Pension related deferred inflows	452,345
OPEB related deferred inflows	137,098
Total deferred inflows of resources	9,238,186
Net Position	
Net investment in capital assets	22,904,923
Restricted for:	
Supplemental levy purposes	641,082
Rural services purposes	519,781
Secondary roads purposes	3,811,887
Debt service	867,130
Drainage improvements	480,976
Opioid abatement	275,823
Other purposes	610,404
Unrestricted	(1,784,952)
Total net position	\$ 28,327,054

See notes to financial statements.

Greene County

Greene County
Statement of Activities
Year ended June 30, 2023

	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	\$ 2,801,729	585,047	3,175	-	(2,213,507)
Physical health and social services	609,728	3,900	197,322	-	(408,506)
County environment and education	864,151	189,550	18,673	-	(655,928)
Roads and transportation	5,735,426	442,932	4,074,859	63,959	(1,153,676)
Governmental services to residents	462,643	240,862	3,571	-	(218,210)
Administration	2,001,442	23,624	-	-	(1,977,818)
Non-program	277,606	341,223	6,200	-	69,817
Interest on long-term debt	181,004	-	-	-	(181,004)
Total	\$ 12,933,729	1,827,138	4,303,800	63,959	(6,738,832)
General Revenues:					
Property and other county tax levied for general purposes					6,668,604
Tax increment financing					891,995
Penalty and interest on property tax					20,455
State tax credits					458,578
Local option sales and services tax					570,023
Gaming tax					176,530
American Rescue Plan Act					9,735
Unrestricted investment earnings					314,203
Gain on disposition of capital assets					93,879
Miscellaneous					455,550
Total general revenues					9,659,552
Change in net position					2,920,720
Net position beginning of year					25,406,334
Net position end of year					\$ 28,327,054

See notes to financial statements.

Greene County
Balance Sheet
Governmental Funds

June 30, 2023

	Special Revenue		
	General	Rural Services	Secondary Roads
Assets			
Cash, cash equivalents and pooled investments	\$ 4,115,065	554,237	1,729,946
Receivables:			
Property tax:			
Delinquent	63	-	-
Succeeding year	4,813,000	1,946,000	-
Succeeding year tax increment financing	-	-	-
Opioid Settlement	-	-	-
Interest and penalty on property tax	920	-	-
Accounts, net of allowance for ambulance receivables of \$13,756	107,783	-	11,739
Drainage assessments	-	-	-
Accrued Interest	33,234	-	-
Lease receivable	77,743	-	-
Due from other governments	579,566	10,155	344,922
Inventories	-	-	2,335,081
	\$ 9,727,374	2,510,392	4,421,688
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 38,169	3,032	392,105
Salaries and benefits payable	12,819	1,265	464
Due to other governments	29,204	-	3,506
Unearned revenue	1,761,047	-	-
Total liabilities	1,841,239	4,297	396,075
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	4,813,000	1,946,000	-
Succeeding year tax increment financing	-	-	-
Other	646,366	-	-
Lease related	77,743	-	-
Total deferred inflows of resources	5,537,109	1,946,000	-
Fund balances:			
Nonspendable			
Inventories	-	-	2,335,081
Restricted for:			
Supplemental levy purposes	653,213	-	-
Rural services	-	560,095	-
Secondary roads	-	-	1,690,532
Drainage warrants	-	-	-
Debt service	-	-	-
Capital projects	-	-	-
Opioid abatement	-	-	-
Other purposes	-	-	-
Assigned for capital improvement projects	26,970	-	-
Assigned for election equipment	14,000	-	-
Assigned for attorney recovery fees	9,849	-	-
Assigned for conservation reserve	137,481	-	-
Unassigned	1,507,513	-	-
Total fund balances	2,349,026	560,095	4,025,613
Total liabilities, deferred inflows of resources and fund balances	\$ 9,727,374	2,510,392	4,421,688

See notes to financial statements.

Capital Projects	Nonmajor	Total
2,751,586	2,010,697	11,161,531
-	2	65
-	523,000	7,282,000
-	1,289,000	1,289,000
-	215,591	215,591
-	-	920
-	-	119,522
-	111,760	111,760
-	-	33,234
-	-	77,743
-	38,746	973,389
-	-	2,335,081
<u>2,751,586</u>	<u>4,188,796</u>	<u>23,599,836</u>
-	86	433,392
-	-	14,548
-	-	32,710
-	-	1,761,047
-	86	2,241,697
-	523,000	7,282,000
-	1,289,000	1,289,000
-	317,262	963,628
-	-	77,743
-	<u>2,129,262</u>	<u>9,612,371</u>
-	-	2,335,081
-	-	653,213
-	-	560,095
-	-	1,690,532
-	480,976	480,976
-	897,745	897,745
2,751,586	-	2,751,586
-	70,323	70,323
-	610,404	610,404
-	-	26,970
-	-	14,000
-	-	9,849
-	-	137,481
-	-	1,507,513
<u>2,751,586</u>	<u>2,059,448</u>	<u>11,745,768</u>
<u>2,751,586</u>	<u>4,188,796</u>	<u>23,599,836</u>

Greene County

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

June 30, 2023

Total governmental fund balances (page 21) \$ 11,745,768

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 \$44,889,570 and the accumulated depreciation is \$21,256,377. 23,633,193

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. 963,628

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. 1,533,559

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	\$ 686,947	
Deferred inflows of resources	<u>(589,443)</u>	97,504

Long-term liabilities, including lease agreements payable, notes payable, installment loans payable, drainage warrants payable, compensated absences payable, net pension liability, total OPEB liability and accrued interest payable are not due and payable, in the current year and, therefore, are not reported in the governmental funds. (9,646,598)

Net position of governmental activities (page 17) \$ 28,327,054

See notes to financial statements.

Greene County

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

Year ended June 30, 2023

	Special Revenue		
	General	Rural Services	Secondary Roads
Revenues:			
Property and other county tax	\$ 4,848,085	1,841,881	-
Tax increment financing	-	-	-
Local option sales tax	-	-	-
Interest and penalty on property tax	27,979	-	-
Intergovernmental	612,665	225,391	4,074,859
Licenses and permits	3,450	-	116,142
Charges for service	745,881	9,843	-
Use of money and property	266,291	-	24,773
Miscellaneous	183,759	1,200	326,790
Total revenues	6,688,110	2,078,315	4,542,564
Expenditures:			
Operating:			
Public safety and legal services	2,245,900	687,010	-
Physical health and social services	617,085	-	-
County environment and education	543,112	137,647	-
Roads and transportation	-	-	6,035,362
Governmental services to residents	490,487	-	-
Administration	2,394,558	-	-
Non-program	9,645	-	-
Debt service	-	-	-
Capital projects	133,185	-	-
Total expenditures	6,433,972	824,657	6,035,362
Excess (deficiency) of revenues over (under) expenditures	254,138	1,253,658	(1,492,798)
Other financing sources (uses):			
Sale of capital assets	-	-	18,100
General obligation notes issued	-	-	-
Premium on general obligation notes issued	-	-	-
Lease agreements	17,522	-	8,829
Subscription agreements	140,722	-	-
Drainage warrants issued	-	-	-
Transfers in	5,000	-	1,612,342
Transfers out	(55,729)	(1,231,613)	-
Total other financing sources (uses)	107,515	(1,231,613)	1,639,271
Change in fund balances	361,653	22,045	146,473
Fund balances beginning of year	1,987,373	538,050	3,879,140
Fund balances end of year	\$ 2,349,026	560,095	4,025,613

See notes to financial statements.

Capital Projects	Nonmajor	Total
-	155,852	6,845,818
-	891,995	891,995
-	570,023	570,023
-	-	27,979
-	52,186	4,965,101
-	-	119,592
-	2,021	757,745
29,739	1,305	322,108
-	154,687	666,436
<u>29,739</u>	<u>1,828,069</u>	<u>15,166,797</u>
-	43,976	2,976,886
-	-	617,085
-	60,000	740,759
-	-	6,035,362
-	-	490,487
-	-	2,394,558
-	59,920	69,565
-	536,212	536,212
536,912	77,855	747,952
<u>536,912</u>	<u>777,963</u>	<u>14,608,866</u>
<u>(507,173)</u>	<u>1,050,106</u>	<u>557,931</u>
-	-	18,100
3,020,000	-	3,020,000
238,759	-	238,759
-	-	26,351
-	-	140,722
-	49,232	49,232
-	350,000	1,967,342
-	(680,000)	(1,967,342)
<u>3,258,759</u>	<u>(280,768)</u>	<u>3,493,164</u>
2,751,586	769,338	4,051,095
-	1,290,110	7,694,673
<u>2,751,586</u>	<u>2,059,448</u>	<u>11,745,768</u>

Greene County

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances –
Governmental Funds to the Statement
of Activities

Year ended June 30, 2023

Change in fund balances - Total governmental funds (page 25) \$ 4,051,095

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

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

Expenditures for capital assets	\$ 1,902,187	
Capital assets contributed by the Iowa Department of Transportation	63,959	
Right-to-use leased capital assets	26,351	
Right-to-use subscription agreements	140,722	
Depreciation expense	<u>(1,390,966)</u>	742,253

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. Proceeds from the sale of capital assets exceeded the gain on disposition. 75,779

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	(177,214)	
Other	<u>194,966</u>	17,752

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	(3,236,305)	
Repaid	<u>429,602</u>	(2,806,703)

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. 467,431

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	(68,609)	
Pension expense	114,931	
OPEB expense	(12,116)	
Interest on long term debt	<u>(18,293)</u>	15,913

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. 357,200

Change in net position of governmental activities (page 18) \$ 2,920,720

See notes to financial statements.

Greene County
Statement of Net Position
Proprietary Fund
June 30, 2023

	<u>Internal Service – Employee Group Health</u>
Assets	
Cash and cash equivalents	<u>\$ 1,616,162</u>
Current Liabilities	
Accounts payable	<u>82,603</u>
Net Position	
Unrestricted	<u>\$ 1,533,559</u>

See notes to financial statements.

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

Year ended June 30, 2023

		<u>Internal Service – Employee Group Health</u>
Operating revenues:		
Reimbursements from operating funds and other governmental units		\$ 1,419,816
Reimbursements from employees and others		<u>219,624</u>
Total operating revenues		1,639,440
Operating expenses:		
Medical claims	\$ 464,233	
Insurance premiums	476,531	
Administrative and other fees	43,178	
Prescription charges	<u>298,298</u>	<u>1,282,240</u>
Total operating income		357,200
Net position beginning of year		<u>1,176,359</u>
Net position end of year		<u>\$ 1,533,559</u>

See notes to financial statements.

Greene County
Statement of Cash Flows
Proprietary Fund
Year ended June 30, 2023

	Internal Service – Employee Group Health
Cash flows from operating activities:	
Cash received from operating funds and other reimbursements	\$ 1,419,816
Cash received from insurance reimbursements	219,624
Cash paid to suppliers for services	(1,244,201)
Net cash provided by operating activities	395,239
Cash and cash equivalents beginning of year	1,220,923
Cash and cash equivalents end of year	\$ 1,616,162
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 357,200
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in accounts payable	38,039
Net cash provided by operating activities	\$ 395,239

See notes to financial statements.

Greene County
Statement of Fiduciary Net Position
Custodial Funds
June 30, 2023

Assets

Cash, cash equivalents and pooled investments:	
County Treasurer	\$ 1,020,358
Other County officials	201,038
Receivables:	
Property tax:	
Delinquent	339
Succeeding year	19,381,000
Accounts	10,155
Special assessments	15,015
	<u>20,627,905</u>

Total assets

Liabilities

Due to other governments	595,173
Trusts payable	69,997
Compensated absences	11,737
	<u>676,907</u>

Total liabilities

Deferred Inflows of Resources

Unavailable property tax revenue	<u>19,381,000</u>
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Net position

Restricted for individual, organizations and other governments	<u>\$ 569,998</u>
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See notes to financial statements.

Greene County
Statement of Changes in Fiduciary Net Position
Custodial Funds

June 30, 2023

Additions:	
Property and other county tax	\$ 18,870,892
State tax credits	1,285,552
911 surcharge	164,294
Office fees and collections	431,013
Auto licenses, use tax and postage	4,433,945
Assessments	14,282
Trusts	463,997
Miscellaneous	<u>232,832</u>
Total additions	<u>25,896,807</u>
Deductions:	
Agency remittances:	
To other funds	289,166
To other governments	24,999,918
Trusts paid out	<u>666,257</u>
Total deductions	<u>25,955,341</u>
Change in net position	(58,534)
Net position beginning of year	<u>628,532</u>
Net position end of year	<u><u>\$ 569,998</u></u>

See notes to financial statements.

Greene County

Notes to Financial Statements

June 30, 2023

(1) Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

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

Certain drainage districts have been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although these districts are legally separate from the County, they are controlled, managed and supervised by the Greene County Board of Supervisors, acting as trustees for the drainage districts. The drainage districts are reported as a Special Revenue Fund. The County has other drainage districts which are managed and supervised by elected trustees. The financial transactions of these districts are reported in the Custodial Funds of the County. 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 Custodial 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, Central Iowa Community Services and Greene County Development Corporation.

B. Basis of Presentation

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

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for notes and other debt attributable to the acquisition, construction or improvement of those assets.

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

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

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

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

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

Additionally, the County reports the following funds:

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

Fiduciary Funds – Custodial 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 lease agreements 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 and tax increment financing receivables represent 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 and tax increment financing receivables 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, 2021 assessed property valuations; is for the tax accrual period July 1, 2022 through June 30, 2023 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2022.

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.

Opioid Settlement Receivable – The County will receive payments from certain prescription drug companies and pharmaceutical distributors engaged in misleading and fraudulent conduct in the marketing and sale of opioids and failure to monitor for, detect and prevent diversion of the drugs. The County is required to use these funds for activities to remediate the opioid crisis and treat or mitigate opioid use disorder and related disorders through prevention, harm reduction and recovery services.

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 represents assessments which have been made but have not been collected.

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

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

Capital Assets – Capital assets, which include property, furniture and equipment and intangibles acquired after July 1, 1980 are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed under “Leases” below) 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. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. 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
Right-to-use leased asset	5,000
Right-to-use subscription assets	5,000

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, the right to use leased equipment and infrastructure are depreciated/amortized 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
Right-to-use leased asset	2 - 20
Right-to-use subscription assets	2 - 20

Leases – **County as Lessee** – Greene County is the lessee for a noncancellable lease of equipment. The County has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how Greene County determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

Greene County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and a purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

County as Lessor – Greene County is a lessor for a noncancellable lease of land. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how Greene County determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts.

Greene County uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription-Based Information Technology Arrangements (SBITA) – Greene County has entered into a contract that conveys control of the right-to-use information technology software. The County has recognized an IT subscription liability and an intangible right-to-use IT subscription asset in the government-wide financial statements. The County recognized IT subscription liabilities with an initial, individual value of \$5,000, or more.

At the commencement of the IT subscription term, the County initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the IT subscription liability is reduced by the principal portion of payments made. The right-to-use an IT subscription asset is initially measured as the sum of the initial IT subscription liability, adjusted for payments made at or before the commencement date, plus capitalization implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the right-to-use IT subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to IT subscription arrangements include how Greene County determines the discount rate it uses to discount the expected payments to present value, term and payments.

Greene County uses the interest rate charged by the IT subscription vendor as the discount rate. When the interest rate charged by the vendor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate.

The IT subscription term includes the noncancellable period of the subscription. Payments included in the measurement of the liability are composed of fixed payments.

The County monitors changes in circumstances that would require a remeasurement of its IT subscription and will remeasure the right-to-use IT subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Right-to-use IT subscription assets are reported with other capital assets and IT subscription liabilities are reported with long-term debt on the statement of net position.

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.

Unearned Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Unearned revenue in the government-wide and governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the County has not made a qualifying expenditure. Unearned revenue consists of unspent American Rescue Plan Act proceeds.

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation, compensatory time and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2023. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, 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, 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, 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 and tax increment financing receivables 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 and tax increment financing receivables that will not be recognized until the year for which it is levied, unrecognized items not yet charged to pension expense, the unamortized portion of the net difference between projected and actual earnings on pension plan assets and deferred amounts related to leases, and OPEB expense.

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 Board of Supervisors intends to use for specific purposes.

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, 2023 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 \$51,145. There were no limitations or restrictions on withdrawals for the IPAIT investments. The County’s investment in the IPAIT is unrated.

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

(3) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2023 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General	Special Revenue: Bike Trail	<u>\$ 5,000</u>
Debt Service	Special Revenue: Tax Increment Financing	<u>350,000</u>
Special Revenue: Secondary Roads	General	55,729
	Special Revenue: Rural Services	1,231,613
	Local Option Sales Tax	<u>325,000</u>
		<u>1,612,342</u>
Total		<u>\$ 1,967,342</u>

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

(4) Capital Assets

Capital assets activity for the year ended June 30, 2023 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,027,312	-	-	2,027,312
Construction in progress, road network	-	63,959	-	63,959
Construction in progress	84,407	509,992	-	594,399
Total capital assets not being depreciated	2,111,719	573,951	-	2,685,670
Capital assets being depreciated:				
Buildings	4,396,357	468,935	-	4,865,292
Improvement other than buildings	135,514	22,041	-	157,555
Equipment and vehicles	12,196,885	935,821	235,434	12,897,272
Right-to-use leased equipment	62,940	26,351	18,145	71,146
Right-to-use subscription asset	-	140,722	-	140,722
Infrastructure, other	1,296,018	78,789	-	1,374,807
Infrastructure, road network	22,697,106	-	-	22,697,106
Total capital assets being depreciated	40,784,820	1,672,659	253,579	42,203,900
Less accumulated depreciation for:				
Buildings	1,616,393	92,283	-	1,708,676
Improvement other than buildings	10,842	5,420	-	16,262
Equipment and vehicles	7,459,029	768,750	206,614	8,021,165
Right-to-use leased equipment	14,939	15,768	9,353	21,354
Right-to-use subscription asset	-	28,144	-	28,144
Infrastructure, other	56,021	8,917	-	64,938
Infrastructure, road network	10,924,154	471,684	-	11,395,838
Total accumulated depreciation	20,081,378	1,390,966	215,967	21,256,377
Total capital assets being depreciated, net	20,703,442	281,693	37,612	20,947,523
Governmental activities capital assets, net	\$ 22,815,161	855,644	37,612	23,633,193

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 159,633
County environment and education	45,129
Roads and transportation	1,116,337
Governmental services to residents	2,541
Administration	67,326
Total depreciation expense - governmental activities	<u>\$ 1,390,966</u>

(5) County Lease Receivable

Effective September 17, 2018, the County entered into a 25-year lease with a cellular telephone communication company, whereby the company will erect a communications tower, with the right for the County to install emergency communications equipment. The County is to receive monthly rent of \$500, with an incremental borrowing rate of 5.00%.

Year Ending June 30,	Amount
2024	\$ 6,000
2025	6,000
2026	6,000
2027	6,000
2028	6,000
2029-2033	30,000
2034-2038	30,000
2039-2043	30,000
2044	<u>5,500</u>
Total	125,500
Less interest	<u>(47,757)</u>
Present value	<u>\$ 77,743</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, 2023 is as follows:

Fund	Description	Amount
General	Services	\$ 29,204
Special Revenue:		
Secondary Roads	Services	<u>3,506</u>
Total for governmental funds		<u>\$ 32,710</u>
Custodial:		
Schools	Collections	\$ 96,302
Community Colleges		8,673
Corporations		33,437
Auto License and Use Tax		366,772
County Hospital		22,423
All other		<u>67,566</u>
Total for custodial funds		<u>\$ 595,173</u>

(7) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2023 is as follows:

	General Obligation Notes	Installment Loan	Direct Borrowing Drainage Warrants	Lease Agreements	Subscription Liability	Compensated Absences	Net Pension Liability	Total OPEB Liability	Total
Balance beginning of year	\$ 4,715,000	450,000	86,029	48,884	-	300,908	(1,275,502)	153,040	4,478,359
Increases	3,020,000	-	49,232	26,351	140,722	457,693	2,265,108	28,716	5,987,822
Decreases	200,000	150,000	23,501	25,443	30,658	389,084	-	31,514	850,200
Balance end of year	\$ 7,535,000	300,000	111,760	49,792	110,064	369,517	989,606	150,242	9,615,981
Due within one year	\$ 605,000	150,000	-	14,199	25,738	286,713	-	-	1,081,650

Notes Payable

On December 5, 2019, the County issued \$4,755,000 of general obligation urban renewal capital loan notes, series 2019A with interest rates ranging from 2.00-4.00% per annum. The notes were issued to provide funding for a portion of the costs for the construction of the Greene County Career Academy Project to be constructed and operated by the Greene County Community School District. During the year ended June 30, 2023, the County paid principal and interest of \$40,000 and \$147,885, respectively on the notes.

On February 7, 2023, the County issued \$3,020,000 of general obligation capital loan notes, series 2023A with interest rates ranging from 4.00-5.00% per annum. The notes were issued for the acquisition and installation of peace officer communication equipment and other emergency communication equipment and systems including towers and radios. During the year ended June 30, 2023, the County paid no principal and interest on the notes.

A summary of the County’s June 30, 2023 general obligation indebtedness is as follows:

Year Ending June 30,	GO Urban Renewal Capital Loan Note Series 2019A				GO Communication Tower Capital Loan Notes Series 2023A			
	Issued Dec 5, 2019				Issued Feb 7, 2023			
	Interest Rates	Principal	Interest	Total	Interest Rates	Principal	Interest	Total
2024	4.00%	\$ 405,000	138,685	543,685	5.00%	\$ 200,000	184,663	384,663
2025	4.00	630,000	122,485	752,485	5.00	255,000	130,250	385,250
2026	3.00	655,000	97,285	752,285	5.00	270,000	117,500	387,500
2027	4.00	670,000	77,635	747,635	5.00	285,000	104,000	389,000
2028	3.00	700,000	50,835	750,835	5.00	295,000	89,750	384,750
2029-2030	2.00-2.10	1,455,000	45,270	1,500,270	4.00-5.00	1,715,000	221,500	1,936,500
Total		\$ 4,515,000	532,195	5,047,195		\$ 3,020,000	847,663	3,867,663

Year Ending June 30,	Total		
	Principal	Interest	Total
2024	\$ 605,000	323,348	928,348
2025	885,000	252,735	1,137,735
2026	925,000	214,785	1,139,785
2027	955,000	181,635	1,136,635
2028	995,000	140,585	1,135,585
2029-2033	3,170,000	266,770	3,436,770
Total	\$ 7,535,000	1,379,858	8,914,858

Drainage Warrants – Direct Borrowing

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.

Lease Agreements

On March 28, 2022, the County entered into a lease agreement for postage meter machine with an initial lease liability of \$10,399. The agreement requires monthly payments of \$173 over 5 years, with an implicit interest rate of 3.75% and final payment due February 28, 2027. During the year ended June 30, 2023, principal and interest paid were \$1,777 and \$299, respectively.

Between December 17, 2018 and May 15, 2023, the County entered into various noncancelable lease agreements for printers and copiers. The agreement requires monthly payments with estimated implicit interest rates from 3.00% to 5.75%. During the year ended June 30, 2023, the County paid principal of \$14,325 and interest of \$1,394 on these agreements.

Year Ending June 30,	Postage Meters			Copy Machines		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 1,845	231	2,076	\$ 12,354	1,771	14,125
2025	1,915	161	2,076	9,332	1,302	10,634
2026	1,988	88	2,076	9,765	866	10,631
2027	1,367	17	1,384	6,462	456	6,918
2028	-	-	-	4,764	123	4,887
Totals	\$ 7,115	497	7,612	\$ 42,677	4,518	47,195

IT Subscription Liability

On July 1, 2022, the County entered into an IT subscription license and services information technology agreement with Tyler Technologies for financial accounting and human resources software. An initial IT subscription liability was recorded in the amount of \$140,722. The agreement requires annual payments of \$30,658 over 5 years with an initial payment made July 15, 2022 for \$30,658, with an implicit interest rate of 4.47% and final payment due July 15, 2024. During the year ended June 30, 2023, principal and interest paid were \$30,658 and \$0, respectively. Future principal and interest lease payments as of June 30, 2023 are as follows:

Year Ending June 30,	IT Subscription Liability		
	Principal	Interest	Total
2024	\$ 25,738	4,920	30,658
2025	26,889	3,769	30,658
2026	28,091	2,567	30,658
2027	29,346	1,312	30,658
Totals	\$ 110,064	12,568	122,632

Installment Purchase

On July 15, 2021, the County entered into a real estate installment purchase agreement to purchase office building and real estate located at 1005 East Lincoln Way, Jefferson, Iowa. The county agrees to pay the total of \$600,000 plus interest at the annual rate of 2.22 – 3.00% per annum. During the year ended June 30, 2023, the County paid \$150,000 in principal and \$13,500 in interest from the Debt Service Fund.

Year	Midland Power Building Real Estate Installment Purchase			
	Issued Jul 15, 2021			
Ending June 30,	Interest Rates	Principal	Interest	Total
2024	2.22%	\$ 150,000	6,667	156,667
2025	2.22	150,000	3,334	153,334
Total:		\$ 300,000	10,001	310,001

(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 2023, 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 8.76% of covered payroll, for a total rate of 17.52%. Protection occupation members contributed 6.21% of covered payroll and the County contributed 9.31% of covered payroll, for a total rate of 15.52%.

The County's contributions to IPERS for the year ended June 30, 2023 totaled \$467,431.

Net Pension Asset, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the County reported a liability of \$989,606 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 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, 2022, the County's proportion of the net pension liability was 0.026193%, which was a decrease of 0.343274% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension expense of \$114,931. At June 30, 2023, 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	\$ 191,682	21,701
Changes of assumptions	1,270	94,898
Net difference between projected and actual earnings on IPERS plan investments	-	232,800
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	22,549	102,946
County contributions subsequent to the measurement date	467,431	-
Total	<u>\$ 682,932</u>	<u>452,345</u>

\$467,431 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, 2024. 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
2024	\$ (236,517)
2025	(182,862)
2026	(317,908)
2027	505,181
2028	(4,738)
Total	<u>\$ (236,844)</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension asset in the June 30, 2022 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, 2022 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2022 valuation were based on the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.

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 geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	22.0%	3.57%
International equity	17.5	4.79
Global smart beta equity	6.0	4.16
Core plus fixed income	20.0	1.66
Public credit	4.0	3.77
Cash	1.0	0.77
Private equity	13.0	7.57
Private real assets	8.5	3.55
Private credit	8.0	3.63
Total	<u>100.0%</u>	

Discount Rate – The discount rate used to measure the total pension asset 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 asset.

Sensitivity of the County’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the County’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the County’s proportionate share of the net pension liability (asset) 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	\$ 2,952,573	989,606	(736,810)

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, 2023.

(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, 2023, the following employees were covered by the benefit terms:

Active employees	<u>82</u>
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Total OPEB Liability – The County’s total OPEB liability of \$150,242 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2021 actuarial valuation rolled forward to June 30, 2023 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, 2021)	2.60% per annum.
Rates of salary increase (effective June 30, 2021)	3.25% per annum, including inflation.
Discount rate (effective June 30, 2023)	4.13% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2023)	7.00% initial rate decreasing by .5% annually to an ultimate rate of 4.50%.

Discount Rate – The discount rate used to measure the total OPEB liability was 4.13% which reflects the index rate for 20-year tax-exempt general obligation municipal notes with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the SOA PUB-2010 total dataset mortality table fully generational using Scale MP-2021. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 153,040
Changes for the year:	
Service cost	21,574
Interest	7,142
Differences between expected and actual experiences	(31,146)
Changes in assumptions	<u>(368)</u>
Net changes	<u>(2,798)</u>
Total OPEB liability end of year	<u>\$ 150,242</u>

Changes of assumptions reflect a change in the discount rate from 4.09% in fiscal year 2022 to 4.13% in fiscal year 2023.

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 (3.13%) or 1% higher (5.13%) than the current discount rate.

	<u>1% Decrease (3.13%)</u>	<u>Discount Rate (4.13%)</u>	<u>1% Increase (5.13%)</u>
Total OPEB liability	\$ 159,564	150,242	141,136

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 (6.00%) or 1% higher (8.00%) than the current healthcare cost trend rates.

	1% Decrease (6.00%)	Healthcare Cost Trend Rate (7.00%)	1% Increase (8.00%)
Total OPEB liability	\$ 130,518	150,242	173,554

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB –
 For the year ended June 30, 2023, the County recognized OPEB expense of \$12,116. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	130,448
Changes in assumptions	4,015	6,650
Total	\$ 4,015	137,098

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

Year Ending June 30,	Amount
2024	\$ (26,138)
2025	(26,139)
2026	(23,611)
2027	(20,266)
2028	(20,267)
Thereafter	(16,662)
	<u>\$ (133,083)</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 800 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, employment practices liability, public officials liability, cyber liability and law enforcement liability. 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, 2023 were \$247,413.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, employment practices, law enforcement, cyber, 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, 2023, no liability has been recorded in the County's financial statements. As of June 30, 2023, 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 \$50,000. 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, 2023 was \$1,419,816.

Amounts payable from the Employee Group Health Fund at June 30, 2023 total \$82,603, 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 \$1,533,559 at June 30, 2023 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	\$ 44,564
Incurred claims (including claims incurred but not reported at June 30, 2023)	800,570
Payments on claims during the year	<u>(762,531)</u>
Unpaid claims end of year	<u>\$ 82,603</u>

(12) Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 for employees. The 457 Plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights must be held in trust of the exclusive benefit of plan participants and beneficiaries. These funds are invested and held by VALIC and do not constitute a liability of the County.

(13) Tax Abatements

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

Tax Abatements of Other Entities

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2023 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	\$ 119,389

(14) Subsequent Event

In November 2023, voters approved Greene County Public Measure II, a referendum to authorize a loan agreement and issue general obligation capital loan notes in an amount not exceeding the amount of \$10,000,000 for the purpose of designing, constructing, equipping, furnishing and making land site improvements for a Greene County Jail.

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, 2023

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	\$ 8,312,770	-	8,312,770
Interest and penalty on property tax	27,979	-	27,979
Intergovernmental	5,018,601	-	5,018,601
Licenses and permits	117,300	-	117,300
Charges for service	759,116	-	759,116
Use of money and property	322,107	-	322,107
Miscellaneous	671,749	42,637	629,112
Total receipts	<u>15,229,622</u>	<u>42,637</u>	<u>15,186,985</u>
Disbursements:			
Public safety and legal services	2,968,728	-	2,968,728
Physical health and social services	652,133	-	652,133
County environment and education	768,070	-	768,070
Roads and transportation	6,065,551	-	6,065,551
Governmental services to residents	489,847	-	489,847
Administration	2,250,769	-	2,250,769
Non-program	66,120	-	66,120
Debt service	536,213	24,677	511,536
Capital projects	751,667	66,246	685,421
Total disbursements	<u>14,549,098</u>	<u>90,923</u>	<u>14,458,175</u>
Deficiency of receipts under disbursements	680,524	(48,286)	728,810
Other financing sources, net	<u>3,537,241</u>	<u>49,232</u>	<u>3,488,009</u>
Change in balances	4,217,765	946	4,216,819
Balance beginning of year	<u>6,943,766</u>	<u>480,030</u>	<u>6,463,736</u>
Balance end of year	<u>\$ 11,161,531</u>	<u>480,976</u>	<u>10,680,555</u>

See accompanying independent auditor's report.

Budgeted Amounts		Final to Net Variance
Original	Final	
8,255,038	8,212,038	100,732
10,000	20,000	7,979
4,993,141	5,027,816	(9,215)
94,375	94,375	22,925
827,701	848,201	(89,085)
61,327	257,327	64,780
603,810	713,810	(84,698)
14,845,392	15,173,567	13,418
3,146,064	3,205,153	236,425
728,106	747,656	95,523
791,930	793,195	25,125
6,068,471	6,068,471	2,920
422,442	498,442	8,595
3,964,438	3,992,298	1,741,529
110,000	110,000	43,880
512,185	512,185	649
95,000	3,181,000	2,495,579
15,838,636	19,108,400	4,650,225
(993,244)	(3,934,833)	4,663,643
730,000	3,300,000	188,009
(263,244)	(634,833)	4,851,652
5,643,984	6,447,477	16,259
5,380,740	5,812,644	4,867,911

Greene County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2023

	<u>Governmental Funds</u>		
	<u>Cash</u>	<u>Accrual</u>	<u>Modified</u>
	<u>Basis</u>	<u>Adjustments</u>	<u>Accrual</u>
			<u>Basis</u>
Revenues	\$ 15,229,622	(62,825)	15,166,797
Expenditures	14,549,098	59,768	14,608,866
Net	680,524	(122,593)	557,931
Other financing sources (uses), net	3,537,241	(44,077)	3,493,164
Beginning fund balances	6,943,766	750,907	7,694,673
Ending fund balances	<u>\$ 11,161,531</u>	<u>584,237</u>	<u>11,745,768</u>

See accompanying independent auditor's report.

Greene County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2023

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 Custodial 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 nine major classes of expenditures known as functions, not by fund. These nine functions are: public safety and legal services, physical health and social services, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$3,269,764. The budget amendments are reflected in the final budgeted amounts.

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

During the year ended June 30, 2023, disbursements did not exceed the amounts budgeted.

Greene County

Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)

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

Required Supplementary Information

	2023	2022	2021	2020
County's proportion of the net pension liability/asset	0.026193%	0.369467% **	0.040888%	0.039296%
County's proportionate share of the net pension liability (asset)	\$ 990	(1,275)	2,872	2,275
County's covered payroll	\$ 4,601	4,551	4,399	4,008
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	21.51%	(28.02%)	65.29%	56.76%
IPERS' net position as a percentage of the total pension liability	91.40%	100.81%	82.90%	85.45%

* 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.

** Overall plan net pension asset.

See accompanying independent auditor's report.

2019	2018	2017	2016	2015
0.039713%	0.041449%	0.042557%	0.041815%	0.040909%
2,513	2,761	2,678	2,066	1,622
3,757	3,659	3,594	3,454	3,377
66.89%	75.46%	74.51%	59.81%	48.03%
83.62%	82.21%	81.82%	87.61%	87.61%

Greene County

Schedule of County Contributions

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

Required Supplementary Information

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Statutorily required contribution	\$ 467	431	430	420
Contributions in relation to the statutorily required contribution	<u>(467)</u>	<u>(431)</u>	<u>(430)</u>	<u>(420)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 5,009	4,601	4,551	4,399
Contributions as a percentage of covered payroll	9.32%	9.37%	9.45%	9.55%

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
384	341	332	327	315	308
(384)	(341)	(332)	(327)	(315)	(308)
-	-	-	-	-	-
4,008	3,757	3,659	3,594	3,454	3,377
9.58%	9.08%	9.07%	9.10%	9.12%	9.12%

Greene County

Greene County

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2023

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

The 2022 valuation incorporated the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates for Regular members.
- Lowered disability rates for Regular members.
- Adjusted termination rates for all membership groups.

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

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

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

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

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

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

Greene County

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

For the Last Six Years
Required Supplementary Information

	2023	2022	2021	2020
Service cost	\$ 21,574	26,858	27,997	24,285
Interest cost	7,142	4,786	6,920	9,473
Difference between expected and actual experiences	(31,146)	(62,605)	(64,571)	(22,131)
Changes in assumptions	(368)	(7,700)	4,266	(1,290)
Benefit payments	-	-	(29,955)	(17,628)
Net change in total OPEB liability	(2,798)	(38,661)	(55,343)	(7,291)
Total OPEB liability beginning of year	153,040	191,701	247,044	254,335
Total OPEB liability end of year	\$ 150,242	153,040	191,701	247,044
Covered-employee payroll	\$ 4,545,469	4,195,023	4,072,731	3,934,015
Total OPEB liability as a percentage of covered-employee payroll	3.3%	3.6%	4.7%	6.3%

See accompanying independent auditor's report.

<u>2019</u>	<u>2018</u>
23,786	14,832
10,383	6,940
(22,406)	55,729
4,723	1,509
<u>(13,191)</u>	<u>(13,836)</u>
<u>3,295</u>	<u>65,174</u>
<u>251,040</u>	<u>185,866</u>
<u>254,335</u>	<u>251,040</u>
3,666,487	3,599,017
6.9%	7.0%

Greene County

Notes to Required Supplementary Information – OPEB Liability

Year ended June 30, 2023

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

The 2023 valuation implemented the following refinements as a result of a new actuarial opinion dated June 30, 2023:

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, 2023	4.13%
Year ended June 30, 2022	4.09%
Year ended June 30, 2021	2.19%
Year ended June 30, 2020	2.66%
Year ended June 30, 2019	3.51%
Year ended June 30, 2018	3.87%
Year ended June 30, 2017	3.58%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Supplementary Information

Greene County
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2023

	Special			
	County Recorder's Records Management	REAP	Forfeiture	Drainage Districts
Assets				
Cash, cash equivalents and pooled investments	\$ 12,133	32,541	7,966	480,976
Receivables:				
Property Tax:				
Delinquent	-	-	-	-
Succeeding year property tax	-	-	-	-
Succeeding year tax increment financing	-	-	-	-
Opioid settlement	-	-	-	-
Drainage assessments	-	-	-	111,760
Due from other governments	-	-	-	-
Total assets	\$ 12,133	32,541	7,966	592,736
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ -	-	-	-
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	-	-	-	-
Succeeding year tax increment financing	-	-	-	-
Other	-	-	-	111,760
Total deferred inflows of resources	-	-	-	111,760
Fund balances:				
Restricted for:				
Drainage warrants	-	-	-	480,976
Debt service	-	-	-	-
Opioid abatement	-	-	-	-
Other purposes	12,133	32,541	7,966	-
Total fund balances	12,133	32,541	7,966	480,976
Total liabilities, deferred inflows of resources and fund balances	\$ 12,133	32,541	7,966	592,736

See accompanying independent auditor's report.

Revenue							
Local Option Sales Tax	K-9	Ethanol Plant Agreement	Local Government Opiod Abatement	Tax Increment Financing	Debt Service	Total	
450,641	16,691	51,772	60,232	887,991	9,754	2,010,697	
-	-	-	-	-	2	2	
-	-	-	-	-	523,000	523,000	
-	-	-	-	1,289,000	-	1,289,000	
-	-	-	215,591	-	-	215,591	
-	-	-	-	-	-	111,760	
38,746	-	-	-	-	-	38,746	
489,387	16,691	51,772	275,823	2,176,991	532,756	4,188,796	
-	86	-	-	-	-	86	
-	-	-	-	-	523,000	523,000	
-	-	-	-	1,289,000	-	1,289,000	
-	-	-	205,500	-	2	317,262	
-	-	-	205,500	1,289,000	523,002	2,129,262	
-	-	-	-	-	-	480,976	
-	-	-	-	887,991	9,754	897,745	
-	-	-	70,323	-	-	70,323	
489,387	16,605	51,772	-	-	-	610,404	
489,387	16,605	51,772	70,323	887,991	9,754	2,059,448	
489,387	16,691	51,772	275,823	2,176,991	532,756	4,188,796	

Greene County

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

Year ended June 30, 2023

	Special			
	County Recorder's Records Management	REAP	Forfeiture	Drainage Districts
Revenues:				
Property and other county tax	\$ -	-	-	-
Tax increment financing	-	-	-	-
Local option sales and services tax	-	-	-	-
Intergovernmental	-	18,673	-	-
Charges for service	2,021	-	-	-
Use of money and property	258	667	-	-
Miscellaneous	-	-	300	42,637
Total revenues	<u>2,279</u>	<u>19,340</u>	<u>300</u>	<u>42,637</u>
Expenditures:				
Operating:				
Public safety and legal services	-	-	1,959	-
County environment and education	-	-	-	-
Non-program	-	-	-	-
Debt service	-	-	-	24,677
Capital projects	-	11,609	-	66,246
Total expenditures	<u>-</u>	<u>11,609</u>	<u>1,959</u>	<u>90,923</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,279</u>	<u>7,731</u>	<u>(1,659)</u>	<u>(48,286)</u>
Other financing sources (uses):				
Drainage warrants issued	-	-	-	49,232
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,232</u>
Change in fund balances	2,279	7,731	(1,659)	946
Fund balances beginning of year	<u>9,854</u>	<u>24,810</u>	<u>9,625</u>	<u>480,030</u>
Fund balances end of year	<u>\$ 12,133</u>	<u>32,541</u>	<u>7,966</u>	<u>480,976</u>

See accompanying independent auditor's report.

Revenue							
Local Option Sales Tax	K-9	Ethanol Plant Agreement	Local Government Opiod Abatement	Tax Increment Financing	Debt Service	Total	
-	-	-	-	-	155,852	155,852	
-	-	-	-	891,995	-	891,995	
570,023	-	-	-	-	-	570,023	
-	-	-	-	22,662	10,851	52,186	
-	-	-	-	-	-	2,021	
-	-	-	-	380	-	1,305	
-	1,000	50,000	60,750	-	-	154,687	
570,023	1,000	50,000	60,750	915,037	166,703	1,828,069	
40,000	2,017	-	-	-	-	43,976	
60,000	-	-	-	-	-	60,000	
-	-	59,920	-	-	-	59,920	
-	-	-	-	-	511,535	536,212	
-	-	-	-	-	-	77,855	
100,000	2,017	59,920	-	-	511,535	777,963	
470,023	(1,017)	(9,920)	60,750	915,037	(344,832)	1,050,106	
-	-	-	-	-	-	49,232	
-	-	-	-	-	350,000	350,000	
(330,000)	-	-	-	(350,000)	-	(680,000)	
(330,000)	-	-	-	(350,000)	350,000	(280,768)	
140,023	(1,017)	(9,920)	60,750	565,037	5,168	769,338	
349,364	17,622	61,692	9,573	322,954	4,586	1,290,110	
489,387	16,605	51,772	70,323	887,991	9,754	2,059,448	

Greene County
Combining Schedule of Fiduciary Net Position
Custodial Funds

June 30, 2023

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ -	2,181	409,704	96,302
Other County officials	55,988	-	-	-
Receivables:				
Property tax:				
Delinquent	-	3	5	155
Succeeding year	-	245,000	406,000	1,075,000
Accounts	10,155	-	-	-
Special assessments	-	-	-	-
Total assets	66,143	247,184	815,709	1,171,457
Liabilities				
Liabilities:				
Due to other governments	53,418	2,029	-	96,302
Trusts payable	12,725	-	-	-
Compensated absences	-	-	11,737	-
Total liabilities	66,143	2,029	11,737	96,302
Deferred Inflows of Resources				
Unavailable resources	-	245,000	406,000	1,075,000
Net Position				
Restricted for individuals, organizations, and other governments	\$ -	155	397,972	155

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	County Hospital	Other	Total
8,673	33,437	3,174	4,276	366,772	22,423	73,416	1,020,358
-	-	-	-	-	-	145,050	201,038
13	122	7	-	-	34	-	339
10,922,000	3,845,000	352,000	-	-	2,535,000	1,000	19,381,000
-	-	-	-	-	-	-	10,155
-	-	-	15,015	-	-	-	15,015
10,930,686	3,878,559	355,181	19,291	366,772	2,557,457	219,466	20,627,905
8,673	33,437	3,174	5,045	366,772	22,423	3,900	595,173
-	-	-	-	-	-	57,272	69,997
-	-	-	-	-	-	-	11,737
8,673	33,437	3,174	5,045	366,772	22,423	61,172	676,907
10,922,000	3,845,000	352,000	-	-	2,535,000	1,000	19,381,000
13	122	7	14,246	-	34	157,294	569,998

Greene County
Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds

Year ended June 30, 2023

	County Offices	Agricultural Extension Education	County Assessor	Schools
Additions:				
Property and other county tax	\$ -	238,699	392,984	10,717,262
State tax credits	-	15,636	25,923	555,527
911 surcharge	-	-	-	-
Office fees and collections	430,190	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	463,997	-	-	-
Miscellaneous	-	-	35	-
Total additions	<u>894,187</u>	<u>254,335</u>	<u>418,942</u>	<u>11,272,789</u>
Deductions:				
Agency remittances:				
To other funds	153,634	-	-	-
To other governments	269,054	254,276	409,968	11,274,130
Trusts paid out	471,499	-	-	-
Total deductions	<u>894,187</u>	<u>254,276</u>	<u>409,968</u>	<u>11,274,130</u>
Change in net position	-	59	8,974	(1,341)
Net position beginning of year	-	96	388,998	1,496
Net position end of year	<u>\$ -</u>	<u>155</u>	<u>397,972</u>	<u>155</u>

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	County Hospital	Other	Total
960,233	3,778,062	328,798	-	-	2,452,982	1,872	18,870,892
49,658	462,809	15,398	-	-	160,476	125	1,285,552
-	-	-	-	-	-	164,294	164,294
-	-	-	-	-	-	823	431,013
-	-	-	-	4,433,945	-	-	4,433,945
-	-	-	14,282	-	-	-	14,282
-	-	-	-	-	-	-	463,997
-	-	-	-	-	-	232,797	232,832
1,009,891	4,240,871	344,196	14,282	4,433,945	2,613,458	399,911	25,896,807
-	-	-	-	135,532	-	-	289,166
1,010,008	4,242,261	344,213	14,282	4,298,413	2,613,798	269,515	24,999,918
-	-	-	-	-	-	194,758	666,257
1,010,008	4,242,261	344,213	14,282	4,433,945	2,613,798	464,273	25,955,341
(117)	(1,390)	(17)	-	-	(340)	(64,362)	(58,534)
130	1,512	24	14,246	-	374	221,656	628,532
13	122	7	14,246	-	34	157,294	569,998

Greene County

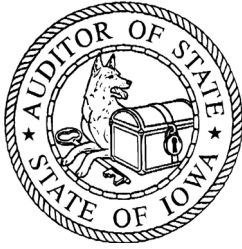
Schedule of Revenues By Source and Expenditures By Function –
All Governmental Funds

For the Last Ten Years

	2023	2022	2021	2020
Revenues:				
Property and other county tax	\$ 6,845,818	6,626,603	6,314,436	6,239,452
Tax increment financing	891,995	513,358	123,437	-
Local option sales tax	570,023	610,839	457,369	432,449
Interest and penalty on property tax	27,979	29,169	35,718	14,570
Intergovernmental	4,965,101	4,920,855	5,566,552	4,621,488
Licenses and permits	119,592	82,330	87,059	58,091
Charges for service	757,745	824,203	829,983	783,680
Use of money and property	322,108	73,857	106,935	137,360
Miscellaneous	666,436	817,940	1,669,298	539,903
Total	\$ 15,166,797	14,499,154	15,190,787	12,826,993
Expenditures:				
Operating:				
Public safety and legal services	\$ 2,976,886	3,194,804	2,759,239	2,491,953
Physical health and social services	617,085	602,963	522,638	511,320
Mental health	-	186,949	268,643	347,652
County environment and education	740,759	949,347	1,553,053	723,863
Roads and transportation	6,035,362	5,769,595	5,847,897	5,985,472
Governmental services to residents	490,487	402,632	372,974	396,390
Administration	2,394,558	2,222,892	2,145,829	2,096,297
Non-program	69,565	49,038	51,411	64,226
Debt service	536,212	428,344	1,110,650	164,472
Capital projects	747,952	774,031	1,580,918	4,896,130
Total	\$ 14,608,866	14,580,595	16,213,252	17,677,775

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
5,421,753	5,212,426	4,984,339	4,940,267	4,895,908	4,876,014
-	-	-	-	-	-
436,180	370,556	400,549	428,566	420,581	363,453
26,711	19,636	26,965	25,995	20,182	23,963
4,318,816	4,185,932	4,388,979	4,655,323	3,790,906	3,557,257
56,244	85,524	61,398	50,014	39,461	50,269
557,048	617,204	494,141	453,684	384,805	388,136
93,518	82,915	51,482	49,158	48,698	49,371
1,465,192	1,371,712	1,210,203	623,894	814,439	576,991
12,375,462	11,945,905	11,618,056	11,226,901	10,414,980	9,885,454
2,231,060	1,980,150	1,614,199	1,656,163	1,482,132	1,501,937
493,386	421,169	396,540	428,158	397,514	402,455
424,541	371,950	408,236	282,627	338,947	353,076
694,103	677,502	866,841	1,034,490	872,788	840,761
6,251,632	5,673,318	4,777,195	5,130,317	4,745,432	4,424,435
385,651	373,299	368,400	365,268	351,230	337,782
2,007,061	1,828,791	2,137,658	1,588,383	1,504,026	1,451,872
201,493	287,483	143,674	220,652	175,000	-
95,485	289,906	201,832	43,645	90,953	349,820
200,344	253,154	408,573	856,638	207,133	225,210
12,984,756	12,156,722	11,323,148	11,606,341	10,165,155	9,887,348



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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 auditing standards generally accepted in the United States of America 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, 2023, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 25, 2024.

Report on 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 (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Greene County's internal control. Accordingly, we do not express an opinion on the effectiveness of Greene County's internal control.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2023-001 and 2023-002 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items 2023-003 and 2023-004 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Greene County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 noncompliance or other matters which 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 Greene County's operations for the year ended June 30, 2023 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of Greene 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 Findings

Government Auditing Standards requires the auditor to perform limited procedures on Greene County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings. Greene County's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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.


Ernest H. Ruben, Jr., CPA
Chief Deputy Auditor of State

March 25, 2024

Greene County

Schedule of Findings

Year ended June 30, 2023

Findings Relating to the Financial Statements

INTERNAL CONTROL DEFICIENCIES:

2023-001 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 the change fund custodian for the Sheriff, Recorder and 911.	County Treasurer, County Sheriff, County Recorder and 911
(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
(4) Bank accounts are not reconciled by an individual who does not sign checks, handle or record cash. Bank reconciliations were not reviewed periodically by an independent person periodically.	911

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.

Greene County

Schedule of Findings

Year ended June 30, 2023

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

Responses –

County Treasurer – We do the best we can with the number of staff members we have. We will continue to look for ways to improve our processes to better segregate our duties.

County Sheriff –After having reconciled the bank statements each month, we will take our statements up to the auditor to have them reviewed and have an employee in that office sign off on them as well. A sign off sheet will be made to document the signatures. Opening mail and receipts will be posted in the receipt book, and both the Office Manager and Police Captain will date and initial their respective posting.

County Recorder – We do the best we can with limited employees. We will look at options for segregating duties if possible.

911 – I will look into a different reconciliation method.

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

2023-002 Financial Reporting

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

Condition – Material amounts of capital asset additions and leases receivable were not properly recorded in the County’s financial statements. Adjustments were subsequently made to properly include these amounts in the financial statements.

Cause – County policies do not require, and procedures have not been established to require independent review of the year end update of the Engineer’s Office capital asset listing to ensure the County’s financial statements are accurate and reliable.

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

Greene County

Schedule of Findings

Year ended June 30, 2023

Recommendation – The County should establish procedures to ensure all capital asset additions are identified and properly reported in the County’s financial statements.

Response – We will discuss any procedure changes we feel are warranted and implement the same.

Conclusion – Response accepted.

2023-003 Recorder’s Bank Reconciliation

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

Condition – The Office was not preparing a complete bank to book reconciliation, including identifying and resolving variances, leading to increasing variances throughout the year.

Cause – The preparer and reviewer of the Recorder’s bank reconciliation did not have a complete understanding of the bank reconciliation process and how to identify and resolve variances and reconciling items.

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

Recommendation – The Recorder’s Office should prepare complete and accurate bank reconciliations including identifying and resolving variances, if any and have an independent person review the reconciliations for propriety. The reviews should be documented by the signatures or initials of the reviewer and the date of the review.

Response – We have a better understanding of reconciling and going forward we have a plan in place for reconciling in the future.

Conclusion – Response acknowledged. The reconciliations should be independently reviewed, and the review should be documented by the signature or initials of the reviewer and the date of the review.

2023-004 Timely Receipt Deposit for 911 Receipts

Criteria – An effective internal control system provides for internal controls related to ensuring the timely deposit of all incoming cash and checks.

Condition – Receipts are not always deposited to the bank timely. Four receipts were not remitted timely, the receipts were deposited anywhere from 46 to 95 days from date of receipt.

Cause – Policies and procedures have not been designed and implemented to ensure all incoming cash and checks are deposited timely.

Effect – This condition could result in undeposited, unrecorded or misstated revenues and receivables.

Greene County

Schedule of Findings

Year ended June 30, 2023

Recommendation – Procedures should be established to ensure all receipts are deposited timely.

Response – I will work at depositing checks on a more timely basis.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Greene County

Schedule of Findings

Year ended June 30, 2023

Other Findings Related to Required Statutory Reporting

- 2023-A Certified Budget – Disbursements during the year ended June 30, 2023 did not exceed the amounts budgeted.
- 2023-B 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.
- 2023-C Travel Expenses – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- 2023-D 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 Wahl, Ambulance Driver, owner of Wahl-McAtee Tire Service	Vehicle maintaince supplies and services	\$ 24,924

The transaction with Wahl-McAtee Tire Service may represent a conflict of interest as defined in Chapter 331.342 of the Code of Iowa since the total cumulative transactions were greater than \$6,000 during the fiscal year ended June 30, 2022, and the transactions were not competitively bid.

Recommendation – The County should consult legal counsel to determine the disposition of this matter.

Response – The County has consulted with the Greene County Attorney who has determined that the transactions with Wahl-McAtee Tire Services did not constitute a conflict of interest within the meaning of Iowa Code Section 331.342. Under Iowa Code section 331.342(2)(d), it is not a conflict of interest for a County employee to have an interest in a contract with the County if (1) the employee has an interest solely by reason of his employment; (2) the employee’s remuneration of employment will not be directly affected as a result of the contract; and (3) the duties of the employee’s employment do not directly involve the procurement or preparation of any part of the contract. Here, Mr. Wahl had an interest in the contract only in virtue of his employment; the contract had no effect on his remuneration of employment; and his duties of employment did not involve in the procurement or preparation of any part of the contract.

Conclusion – Response acknowledged. Chapter 331.342 state, in part, “An officer or employee of a county shall not have an interest, direct or indirect, in a contract with that county. A contract entered into in violation of this section is void.” Because Mike Wahl is the owner of Wahl-McAtee Tire Service and not an employee, he is part of all contracts involving the County. To be in compliance with the Code of Iowa regarding contracts with officials or employees, these services should be competitively bid, publicly invited and opened in accordance with Chapter 331.342(2)(c) of the Code of Iowa.

Greene County

Schedule of Findings

Year ended June 30, 2023

- 2023-E Restricted Donor Activity – No transactions were noted between the County, County officials, County employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- 2023-F 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.
- 2023-G Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- 2023-H 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.
- 2023-I 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).
- 2023-J Annual Urban Renewal Report – The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1 as required by Chapter 331.403(3)(a) of the Code of Iowa. However, the County understated the amount reported as non-rebate expenditures by \$66,542.

Recommendation – The County should ensure the amount reported as non-rebate expenditures agrees with County records.

Response – In the future, the County will review our procedures to ensure that the amount reported to the Iowa Department of Management agrees with our County financials.

Conclusion – Response accepted.

- 2023-K Tax Increment Financing – Payments from the Special Revenue, Tax Increment Financing (TIF) Fund properly included only payments for TIF loans. However, Greene County did not properly complete the Tax Increment Debt Forms 1 and 2, as appropriate, to certify TIF obligations (debt), and to request a reduced distribution of TIF. After completion of the forms and past the due date, the County reduced the Urban Renewal Area Indebtedness Not Previously Certified by \$36,693 on Form 1. The County also reduced the Projected TIF Indebtedness Remaining at the End of Next Fiscal year by \$46,390.

Recommendation – The County should have policies and procedures in place to ensure the proper amounts are reported on the Tax Increment Debt Forms.

Greene County

Schedule of Findings

Year ended June 30, 2023

Response – The Board certified the TIF request prior to December 1. The valuations were completed and sent to all the appropriate authorities when we received word that the Iowa Department of Revenue had adjusted the values. There was a tight timeline to start the process again and notifying all authorities and explaining that took place and that they would have to re-do budgets with reduced values. Because of this tight timeline the new reduced TIF information was not presented to the Board for re-certification. In the future, should we face this situation again we will present this information to the Board to re-certify the reduced TIF amounts.

Conclusion – Response accepted.

Greene County

Staff

This audit was performed by:

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Cole L. Hocker, CPA, Manager
Zachary T. Shaw, Senior Auditor
Allison L. Carlon, Staff Auditor
Jared M. Ernst, CPA, Staff Auditor
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