OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

Rob Sand
Auditor of State

NEWS RELEASE

Contact: Brian Brustkern
515/281-5834

FOR RELEASE January 31, 2025

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

FINANCIAL HIGHLIGHTS:

The County's revenues totaled $45,023,420 for the year ended June 30, 2024, a 14.7% increase. Expenses for County operations for the year ended June 30, 2024 totaled $38,122,184 an increase of 36.8%. The increase in revenues is due primarily to an increase in American Rescue Plan revenues and an increase in contributed capital received for road projects. The increase in expenses is primarily due to the payments to the developer for the reinvestment district.

AUDIT FINDINGS:

Sand reported eight findings related to the receipt and expenditure of taxpayer funds. They are found on pages 88 through 96 of this report. The findings address issues such as lack of segregation of duties, disbursements exceeding budgeted amounts and the Annual Urban Renewal Report Levy Authority Summary did not agree with County records. Sand provided the County with recommendations to address each of these findings.

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

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

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JASPER COUNTY

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

JUNE 30, 2024

2410-0050-B00F

Jasper County

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

Rob Sand
Auditor of State

January 7, 2025

Officials of Jasper County
Newton, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for Jasper County for the year ended June 30, 2024. 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 <u>Government Auditing Standards</u>.

I appreciate the cooperation and courtesy extended by the officials and employees of Jasper 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,

Rob Sand
Auditor of State

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(Continued)

Jasper County

Officials

Name	Title	Term Expires
Dennis Stevenson (Appointed Dec 2022)	Board of Supervisors	Nov 2024
Doug Cupples	Board of Supervisors	Jan 2025
Brandon Talsma	Board of Supervisors	Jan 2027
Jenna Jennings (Appointed Jan 2023)	County Auditor	Nov 2024
Doug Bishop	County Treasurer	Jan 2027
Denise Allan	County Recorder	Jan 2027
John Halferty	County Sheriff	Jan 2025
Scott Nicholson	County Attorney	Jan 2027
Stacey Von Dielingen	County Assessor	Jan 2028

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Rob Sand
Auditor of State

Independent Auditor's Report

To the Officials of Jasper County:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Jasper County, Iowa, as of and for the year ended June 30, 2024, 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 accompanying 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 Jasper County as of June 30, 2024 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 the Financial Statements section of our report. We are required to be independent of Jasper 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.

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 Jasper 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 judgment 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 judgment 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 Jasper 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Jasper 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 8 through 15 and 62 through 74 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 Jasper 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, 2023 (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 January 7, 2025 on our consideration of Jasper 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 Jasper County's internal control over financial reporting and compliance.

Brian R. Brustkern, CPA
Deputy Auditor of State

January 7, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Jasper County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2024. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2024 FINANCIAL HIGHLIGHTS

- Revenues of the County's governmental activities increased 14.7%, or approximately $5,784,000, from fiscal year 2023 to fiscal year 2024. American Rescue Plan Act revenues increased approximately $2,104,000, charges for services increased approximately $740,000 and capital grants, contributions and restricted interest increased approximately $1,444,000. Other general revenues decreased approximately $851,000.

- Program expenses of the County's governmental activities increased 36.8%, or approximately $10,254,000, from fiscal year 2023 to fiscal year 2024. Expenses increased approximately $8,412,000 in the county environment and education function, and expenses increased approximately $671,000 in the interest on long-term debt function. Expenses decreased approximately $68,000 in the public safety and legal services function.

- The County's net position increased 7.8%, or approximately $6,901,000, over June 30, 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 Jasper 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 Jasper 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 Jasper 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, 4) the Capital Projects Fund and 5) the Permanent 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 fund 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 auto license and use tax, 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 that follows focuses on the changes in the net position of governmental activities.

Net Position of Governmental Activities
(Expressed in Thousands)

	June 30, 2024	June 30, 2023
Current and other assets	$ 51,565	51,668
Capital assets	82,917	74,255
Total assets	134,482	125,923
Deferred outflows of resources	2,608	1,552
Long-term liabilities	19,788	11,858
Other liabilities	3,429	8,250
Total liabilities	23,217	20,108
Deferred inflows of resources	18,431	18,826
Net position:		
Net investment in capital assets	79,590	69,542
Restricted	21,656	18,859
Unrestricted	(5,804)	140
Total net position	$ 95,442	88,541

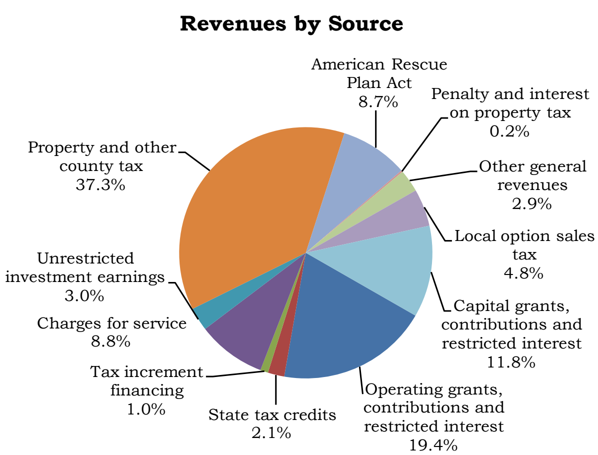
Net position of Jasper County's governmental activities increased 7.8% (approximately $95.4 million compared to approximately $88.5 million). The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased approximately $10,048,000, or 14.4%, over the prior year.

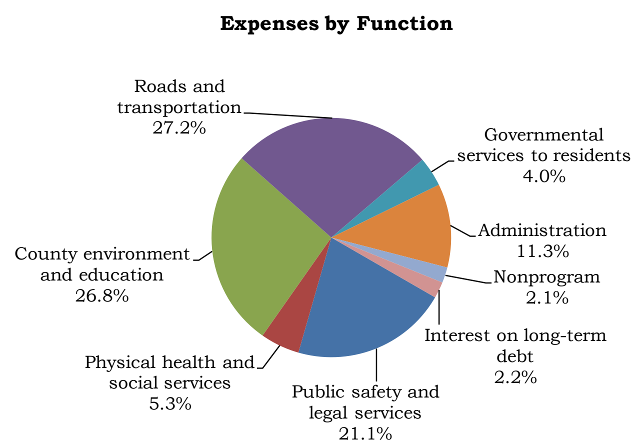
Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position category increased approximately $2,797,000, or 14.8%, over the prior year's balance. The increase is primarily due to an increase in the amounts held at year end in the Special Revenue, Secondary Road Fund and the Special Revenue, Local Government Opioid Abatement 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 – decreased from approximately $140,000 at June 30, 2023 to a deficit of approximately ($5,804,000) at the end of this year, a decrease of 4,245.7% primarily due to the issuance of general obligation urban renewal capital loan notes for $8,520,000 for the reinvestment district development.

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

		Year ended June 30,	
		2024	2023
Revenues:			
Program revenues:			
Charges for service	$	3,954	3,214
Operating grants, contributions and restricted interest		8,723	8,148
Capital grants, contributions and restricted interest		5,330	3,886
General revenues:			
Property and other county tax		16,771	16,068
Tax increment financing		445	446
Penalty and interest on property tax		97	92
State tax credits		944	950
Local option sales tax		2,168	1,834
American Rescue Plan Act		3,921	1,817
Unrestricted investment earnings		1,368	631
Other general revenues		1,302	2,153
Total revenues		45,023	39,239
Program expenses:			
Public safety and legal services		8,052	8,120
Physical health and social services		2,024	1,984
County environment and education		10,220	1,808
Roads and transportation		10,347	10,172
Governmental services to residents		1,535	1,497
Administration		4,306	3,712
Nonprogram		791	399
Interest on long-term debt		847	176
Total expenses		38,122	27,868
Change in net position		6,901	11,371
Net position beginning of year		88,541	77,170
Net position end of year	$	95,442	88,541





Jasper County's governmental activities net position increased approximately $6,901,000 during the year. Revenues for governmental activities increased approximately $5,784,000 over the prior year. American Rescue Plan Act (ARPA) increased approximately $2,104,000 over the prior year. Other general revenue decreased approximately $851,000 from the prior year primarily due to the gain on disposition of capital assets due to the trading of 10 motor graders in 2023.

For fiscal year 2024, taxable property valuation increased to approximately $2,028,116,000 while the tax levy rate decreased from $9.80975 to $9.65430 per $1,000 of taxable valuation. As a result, property and other county tax revenue increased approximately $703,000. Taxable valuation by levy, the actual levy rate per $1,000 of taxable valuation and total dollars levied are as follows:

	Taxes Levied FY 2024	Taxes Levied FY 2023
Countywide taxable valuation	$ 2,028,115,515	$ 1,894,095,732
Countywide levy rate without debt service	5.97453	6.63553
Dollars levied without debt service	12,117,036	12,568,329
Debt service valuation	$ 2,145,993,016	$ 2,002,332,259
Debt service levy rate	0.60873	0.45198
Dollars levied debt service area only	1,306,330	905,014
Rural taxable valuation	$ 1,177,912,775	$ 1,107,712,830
Rural service levy rate	3.07104	2.72224
Dollars levied rural area only	3,617,417	3,015,460
Total dollars levied	17,040,783	16,488,803

The cost of all governmental activities this year was approximately $38.1 million compared to approximately $27.9 million last year. However, as shown in the Statement of Activities on page 21, the amount taxpayers ultimately financed for these activities was approximately $20.1 million because some of the cost was paid by those directly benefited from the programs (approximately $3,954,000) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately $14,053,000). Overall, the County's governmental program revenues, including intergovernmental aid and fees for service, increased in fiscal year 2024 from approximately $15,248,000 to approximately $18,007,000, primarily due to an increase of approximately $1,455,000 in contributed capital for roads and transportation.

INDIVIDUAL MAJOR FUND ANALYSIS

As Jasper County completed the year, its governmental funds reported a combined fund balance of approximately $26.6. million, an increase of approximately $3,266,000 from last year's total of approximately $23.4 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues increased approximately $3,453,000, or 18.5%. Fiscal year 2024 had a severe hailstorm which the County received insurance reimbursements which was part of the reason for the increase in revenues. Also, fiscal year ended June 30, 2023 had other financing source from proceeds from installment purchase agreement of $1,710,000 but none in fiscal year 2024. Expenditures increased approximately $1,448,000, or 7.2%. The increase in expenditures is primarily due to increase in spending of American Rescue Act funds for various projects. The ending fund balance increased $20,312, or less than 1%, over the prior year balance to $11,098,985.

- Special Revenue, Rural Services Fund revenues increased approximately $722,000, an increase of 22.0%. Property tax increased due to an increase in the Rural Services Basic tax levy which was $2.72224 per $1000 of valuation in fiscal year 2023 and $3.07104 per $1000 of valuations in fiscal year 2024. Expenditures increased approximately $69,000, or 8.9%. The ending fund balance increased approximately $501,000 from the prior year to a fund balance of $104,186.

- Special Revenue, Secondary Roads Fund revenues increased approximately $397,000, or 5.9%, from the prior year, primarily due to increased road use tax and insurance reimbursement for hail damage. During the year, expenditures decreased approximately $2,231,000, or 18.6% primarily due to a decrease in the number of motor graders replaced in fiscal year 2023 (10) compared to the number replaced in fiscal year 2024 (2). The fund balance at June 30, 2024 was $10,305,835, an increase of $1,432,458 or 16.1%.

- Special Revenue, Legacy Plaza Economic Development Fund was a new fund in fiscal year 2024. The fund is used to account for the reinvestment district revenues and to pay construction costs incurred in the district.

- Debt Service Fund revenues increased approximately $427,000 from the prior year due to an increase in the debt service tax levy from 0.45198 in fiscal year 2023 to 0.60873 in fiscal year 2024. Expenditures increased approximately $680,000, or 47.9% from the prior year. The increase in expenditures was due to the scheduled payment increase in the debt issuance May 10, 2021 from principal payment of $220,000 in fiscal year 2023 to principal payment of $860,000 in fiscal year 2024. At year end, the fund balance was $639,031 compared to the prior year ending balance of $656,931, a decrease of $17,900.

- Capital Projects Fund revenues decreased approximately $720,000 from the prior year, primarily due to a decrease in grant revenue related to the Red Rock Prairie Trail project. Expenditures decreased approximately $598,000, primarily due to expenditures related to the Red Rock Prairie Trail project slowing down from the prior year. The ending Capital Projects fund balance increased approximately $561,000 from the prior year to a fund balance of $324,496 from a previous deficit balance of ($236,135) at June 30, 2023.

BUDGETARY HIGHLIGHTS

Over the course of the year, Jasper County amended its budget one time. The amendment was made in June 2024 and resulted in an increase in budgeted disbursements in public safety, physical health and social services, county environment and education, roads and transportation, administration, debt service and capital projects for various County projects. The amendment primarily increased other county taxes and intergovernmental receipts.

The County's receipts were $678,426 more than budgeted, a difference of 2.0%. Total disbursements were $1,902,530 less than the amended budget, a difference of 4.1%. Actual disbursements for the capital projects, public safety and legal services and administration functions were $9,472,371, $1,084,271 and $986,114, respectively, less than budgeted. This was primarily due to costs being less than anticipated and projects being delayed until the next fiscal year. Also, costs for the reinvestment district were incorrectly budgeted as capital projects function which were reclassified as county environment and education function.

The County exceed the amounts budgeted in the county environment and education, roads and transportation, non-program and debt service functions for the year ended June 30, 2024. In addition, disbursements in certain departments exceeded amounts appropriated at year end and prior to the budget amendments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, Jasper County had approximately $83 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges and intangible assets. This is a net increase (including additions and deletions) of approximately $8,663,000, or 11.7% over last year.

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

	June 30, 2024	June 30, 2023
Land	$ 2,594	2,519
Construction in progress	12,665	6,633
Buildings and improvements	17,403	13,365
Equipment and vehicles	11,502	11,246
Intangibles	65	73
Infrastructure	38,688	40,418
Total	$ 82,917	74,254

This year's major additions included (in thousands):	
Capital assets contributed by the Iowa Department of Transportation	$ 5,330
County engineer shop project	3,269
Replacement of two motor graders and other Secondary Roads equipment	1,158
Various buildings roof replacements	604
County Sheriff vehicles	381
Total	$ 10,742

The County had depreciation/amortization expense of $4,217,847 in fiscal year 2024 and total accumulated depreciation/amortization of $58,672,247 at June 30, 2024. More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

At June 30, 2024, Jasper County had approximately $13,147,000 of general obligation bonds and capital loan notes and other debt outstanding, compared to approximately $6,423,000 at June 30, 2023, as shown below:

Outstanding Debt of Governmental Activities at Year-End
(Expressed in Thousands)

	June 30, 2024	June 30, 2023
General obligation capital loan notes	$ 12,060	4,810
Equipment replacement agreement	1,087	1,613
Total	$ 13,147	6,423

Debt increased as a result of issuing general obligation capital loan notes for the Newton Legacy Reinvestment District.

The County carries a general obligation bond rating of Aa2 assigned by national rating agencies to the County's debt. 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. Jasper County's outstanding general obligation debt is significantly below its constitutional debt limit of approximately $163 million. Additional information about the County's long-term debt is presented in Note 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Jasper County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2025 budget, tax rates and fees charged for various County activities. One of those factors is the economy. Unemployment in the County remains the same as the prior year at 3.0%. This compares with the State's unemployment rate of 2.8% and the national rate of 4.1%.

The Jasper County Board of Supervisors has stated it is determined to use all of the one cent Local Option Sales and Services Tax (LOSST) funds for property tax relief. Therefore, in the fiscal year 2025 budget, all of the LOSST money estimated to be received in fiscal year 2025 (approximately $1,000,000 was used to offset a property tax increase in fiscal year 2025.

Budgeted receipts in the operating budget are approximately $29,386,000, a 13% decrease from the final fiscal year 2024 budget. Budgeted disbursements decreased approximately $7,669,000 from the final fiscal year 2024 budget, primarily in the capital projects function. The County has added no major new programs or initiatives to the fiscal year 2025 budget.

If these estimates are realized, the County's budgetary operating balance is expected to decrease 40.1% by the close of fiscal year 2025.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Jasper 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 Jasper County Auditor's Office, 101 1st Street N., Newton, Iowa 50208.

Jasper County

Basic Financial Statements

Jasper County

Statement of Net Position

June 30, 2024

	Governmental Activities
Assets	
Cash, cash equivalents and pooled investments	$ 29,752,571
Receivables:	
Property tax:	
Delinquent	29,037
Succeeding year	17,077,000
Succeeding year tax increment financing	467,000
Interest and penalty on property tax	120,211
Accounts	312,212
Loans	89,988
Opioid settlement	1,765,629
Due from other governments	1,055,373
Lease receivable	185,711
Inventories	615,805
Prepaid expense	93,768
Capital assets, not being depreciated	15,259,601
Capital assets, net of accumulated depreciation/amortization	67,657,509
Total assets	134,481,415
Deferred Outflows of Resources	
Pension related deferred outflows	2,451,031
OPEB related deferred outflows	157,067
Total deferred outflows of resources	2,608,098

Jasper County

Statement of Net Position

June 30, 2024

Liabilities	
Accounts payable	1,154,332
Accrued interest payable	52,033
Salaries and benefits payable	607,516
Due to other governments	30,072
Unearned revenue	1,584,635
Long-term liabilities:	
Portion due or payable within one year:	
General obligation capital loan notes	1,325,000
Equipment replacement agreement	520,327
Compensated absences	720,421
Total OPEB liability	74,937
Portion due or payable after one year:	
General obligation capital loan notes	10,735,000
Equipment replacement agreement	567,057
Compensated absences	1,430,352
Net pension liability	3,643,732
Total OPEB liability	771,351
Total liabilities	23,216,765
Deferred Inflows of Resources	
Lease related	185,711
Unavailable property tax revenue	17,077,000
Unavailable tax increment financing revenue	467,000
Pension related deferred inflows	457,243
OPEB related deferred inflows	244,022
Total deferred inflows of resources	18,430,976
Net Position	
Net investment in capital assets	79,589,726
Restricted for:	
Nonexpendable:	
Permanent Fund	12,000
Expendable:	
Supplemental levy purposes	3,868,694
Rural services purposes	83,000
Secondary roads purposes	10,163,015
Local option sales and services tax purposes	2,322,228
Conservation land acquisition	52,628
Debt service	1,289,054
Capital projects	324,496
Opioid abatements	2,051,129
Other purposes	1,489,538
Unrestricted	(5,803,736)
Total net position	$ 95,441,772

See notes to financial statements.

Jasper County

Jasper County

Statement of Activities

Year ended June 30, 2024

	Expenses	Program Revenues: Charges for Service	Program Revenues: Operating Grants, Contributions and Restricted Interest	Program Revenues: Capital Grants, Contributions and Restricted Interest	Net (Expense) Revenue and Changes in Net Position
Functions/Programs:					
Governmental activities:					
Public safety and legal services	$ 8,052,076	978,043	115,718	-	(6,958,315)
Physical health and social services	2,024,445	346,390	1,519,509	-	(158,546)
County environment and education	10,220,052	182,485	521,840	-	(9,515,727)
Roads and transportation	10,347,269	615,324	6,523,775	5,330,019	2,121,849
Governmental services to residents	1,534,580	882,679	1,117	-	(650,784)
Administration	4,305,914	46,854	41,011	-	(4,218,049)
Non-program	790,873	891,962	7	-	101,096
Interest on long-term debt	846,975	-	-	-	(846,975)
Total	$ 38,122,184	3,953,783	8,722,977	5,330,019	(20,115,405)
General Revenues:					
Property and other county tax levied for:					
General purposes					15,485,572
Debt service					1,285,593
Tax increment financing					445,304
Penalty and interest on property tax					96,695
State tax credits and replacements					943,907
Local option sales and services tax					2,168,416
American Rescue Plan Act					3,921,080
Unrestricted investment earnings					1,367,833
Gain on disposition of capital assets					141,353
Miscellaneous					1,160,888
Total general revenues					27,016,641
Change in net position					6,901,236
Net position beginning of year					88,540,536
Net position end of year					$ 95,441,772

See notes to financial statements.

Jasper County

Balance Sheet
Governmental Funds

June 30, 2024

	General	Special Revenue: Rural Services	Special Revenue: Secondary Roads	Special Revenue: Legacy Plaza Economic Development
Assets				
Cash, cash equivalents and pooled investments	$ 12,542,081	724,384	9,476,839	233,423
Receivables:				
Property tax:				
Delinquent	20,202	6,769	-	-
Succeeding year	12,164,000	3,610,000	-	-
Succeeding year tax increment financing	-	-	-	-
Interest and penalty on property tax	120,211	-	-	-
Accounts	96,056	2,963	22,257	-
Loans	-	-	89,988	-
Opioid settlement	-	-	-	-
Advances to other funds	600,000	-	-	-
Due from other governments	88,933	-	549,377	-
Lease receivable	185,711	-	-	-
Inventories	-	-	615,805	-
Prepaid expenditures	93,768	-	-	-
Total assets	$ 25,910,962	4,344,116	10,754,266	233,423
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	$ 268,252	5,862	297,108	-
Salaries and benefits payable	449,773	7,230	150,513	-
Due to other governments	19,193	10,069	810	-
Advances from other funds	-	600,000	-	
Unearned revenues	1,584,635	-	-	-
Total liabilities	2,321,853	623,161	448,431	-
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	12,164,000	3,610,000	-	-
Succeeding year tax increment financing	-	-	-	-
Lease related	185,711	-	-	-
Other	140,413	6,769	-	-
Total deferred inflows of resources	12,490,124	3,616,769	-	-
Fund balances:				
Nonspendable:				
Inventories	-	-	615,805	-
Prepaid expenditures	93,768	-	-	-
Permanent fund	-	-	-	-
Advances to other funds	600,000	-	-	-
Restricted for:				
Supplemental levy purposes	2,559,676	-	-	-
Rural services purposes	-	104,186	-	
Secondary roads purposes	-	-	9,690,030	-
Local option sales and services tax purposes	-	-	-	-
Conservation land acquisition	52,628	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Opioid abatement	-	-	-	-
Other purposes	757,288	-	-	233,423
Unassigned	7,035,625	-	-	-
Total fund balances	11,098,985	104,186	10,305,835	233,423
Total liabilities, deferred inflows of resources and fund balances	$ 25,910,962	4,344,116	10,754,266	233,423

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
639,031	207,331	3,621,949	27,445,038
2,066	-	-	29,037
1,303,000	-	-	17,077,000
-	-	467,000	467,000
-	-	-	120,211
-	-	-	121,276
-	-	-	89,988
-	-	1,765,629	1,765,629
-	-	-	600,000
-	217,920	199,143	1,055,373
-	-	-	185,711
-	-	-	615,805
-	-	-	93,768
1,944,097	425,251	6,053,721	49,665,836
-	100,755	2,550	674,527
-	-	-	607,516
-	-	-	30,072
-	-	-	600,000
-	-	-	1,584,635
-	100,755	2,550	3,496,750
1,303,000	-	-	17,077,000
-	-	467,000	467,000
-	-	-	185,711
2,066	-	1,659,099	1,808,347
1,305,066	-	2,126,099	19,538,058
-	-	-	615,805
-	-	-	93,768
-	-	12,000	12,000
-	-	-	600,000
-	-	-	2,559,676
-	-	-	104,186
-	-	-	9,690,030
-	-	2,322,228	2,322,228
-	-	-	52,628
639,031	-	699,990	1,339,021
-	324,496	-	324,496
-	-	392,030	392,030
-	-	498,824	1,489,535
-	-	-	7,035,625
639,031	324,496	3,925,072	26,631,028
1,944,097	425,251	6,053,721	49,665,836

Jasper County

Jasper County

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

June 30, 2024

Total governmental fund balances (page 23)		$ 26,631,028
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 $141,589,357 and the accumulated depreciation/amortization is $58,672,247.		82,917,110
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.		1,808,347
The Internal Service Fund is used by management to charge the costs of partial self funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included with governmental activities in the Statement of Net Position.		2,018,664
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	$ 2,608,098	
Deferred inflows of resources	(701,265)	1,906,833
Long-term liabilities, including general obligation capital loan notes payable, equipment purchase agreement 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.		(19,840,210)
Net position of governmental activities (page 19)		$ 95,441,772

See notes to financial statements.

Jasper County

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

Year ended June 30, 2024

		Special Revenue		
	General	Rural Services	Secondary Roads	Legacy Plaza Economic Development
Revenues:				
Property and other county tax	$ 11,917,291	3,568,458	-	-
Tax increment financing	-	-	-	-
Local option sales and services tax	-	-	-	-
Interest and penalty on property tax	84,276	-	-	-
Intergovernmental	5,701,806	248,322	6,603,681	-
Licenses and permits	34,625	134,549	66,526	-
Charges for service	1,372,210	3,250	20,873	-
Use of money and property	1,345,455	-	-	-
Miscellaneous	1,705,927	51,626	448,019	-
Total revenues	22,161,590	4,006,205	7,139,099	-
Expenditures:				
Operating:				
Public safety and legal services	7,991,545	491,789	-	-
Physical health and social services	1,894,213	-	-	-
County environment and education	1,634,148	352,521	-	8,000,000
Roads and transportation	2,934,176	-	9,383,571	-
Governmental services to residents	1,598,617	-	-	-
Administration	4,766,013	-	-	-
Non-program	95,475	-	-	-
Debt service	-	-	-	-
Capital projects	727,079	-	403,825	-
Total expenditures	21,641,266	844,310	9,787,396	8,000,000
Excess (deficiency) of revenues over (under) expenditures	520,324	3,161,895	(2,648,297)	(8,000,000)
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	10,199	-
Transfers in	1,037,420	800,000	4,070,556	-
Transfers out	(1,537,432)	(3,461,009)	-	(276,966)
General obligation capital loan notes issued	-	-	-	8,520,000
Discount on general obligation capital loan notes	-	-	-	(9,611)
Total other financing sources (uses)	(500,012)	(2,661,009)	4,080,755	8,233,423
Change in fund balances	20,312	500,886	1,432,458	233,423
Fund balances beginning of year	11,078,673	(396,700)	8,873,377	-
Fund balances end of year	$ 11,098,985	104,186	10,305,835	233,423

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
1,284,992	-	-	16,770,741
-	-	445,352	445,352
-	-	2,168,416	2,168,416
-	-	-	84,276
67,751	233,439	18,884	12,873,883
-	-	-	235,700
-	-	5,790	1,402,123
-	7	15,768	1,361,230
-	-	490,151	2,695,723
1,352,743	233,446	3,144,361	38,037,444
-	-	10,760	8,494,094
-	-	165,000	2,059,213
-	-	-	9,986,669
-	-	-	12,317,747
-	-	7,375	1,605,992
-	-	16,853	4,782,866
-	-	-	95,475
2,098,944	-	-	2,098,944
-	600,700	119,337	1,850,941
2,098,944	600,700	319,325	43,291,941
(746,201)	(367,254)	2,825,036	(5,254,497)
-	-	-	10,199
728,301	927,885	-	7,564,162
-	-	(2,288,755)	(7,564,162)
-	-	-	8,520,000
-	-	-	(9,611)
728,301	927,885	(2,288,755)	8,520,588
(17,900)	560,631	536,281	3,266,091
656,931	(236,135)	3,388,791	23,364,937
639,031	324,496	3,925,072	26,631,028

Jasper County

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

Year ended June 30, 2024

Change in fund balances - Total governmental funds (page 27)		$ 3,266,091
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/amortization expense to allocate those expenditures over the life of the assets. Capital outlay expenditures and contributed capital assets exceeded depreciation/amortization expense in the current year, as follows:		
Expenditures for capital assets	$ 7,419,468	
Capital assets contributed by the Iowa Department of Transportation	5,330,019	
Depreciation/amortization expense	(4,217,847)	8,531,640
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.		131,154
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	424	
Other	639,538	639,962
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 the long-term liabilities in the Statement of Net Position. Current year issuances exceeded repayments, as follows:		
Issued	(8,520,000)	
Repaid	1,795,307	(6,724,693)
The current year County IPERS contributions is reported as expenditures in the governmental funds but is reported as deferred outflows of resources in the Statement of Net Position.		1,053,508
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	(139,006)	
Pension expense	(338,669)	
OPEB expense	(65,407)	
Interest on long-term debt	(34,309)	(577,391)
The Internal Service Fund is used by management to charge the costs of the partial self-funding of the County's health insurance benefit plan to individual funds. The change in net position of the Internal Service Fund is reported with governmental activities.		580,965
Change in net position of governmental activities (page 21)		$ 6,901,236

See notes to financial statements.

Jasper County

Statement of Net Position
Proprietary Fund

June 30, 2024

	Internal Service-Employee Group Health
Assets	
Cash and cash equivalents	$ 2,307,533
Accounts receivable	190,936
Total assets	2,498,469
Liabilities	
Accounts payable	479,805
Net Position	
Restricted for employee health	$ 2,018,664

See notes to financial statements.

Jasper County

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

Year Ended June 30, 2024

		Internal Service-Employee Group Health
Operating revenues:		
Reimbursements from operating funds		$ 2,951,470
Reimbursements from employees and others		444,299
Insurance reimbursements		125,467
Total operating revenues		3,521,236
Operating expenses:		
Medical claims	$ 2,472,617	
Insurance premiums	346,118	
Administrative fees	149,565	
Miscellaneous	41,800	3,010,100
Operating income		511,136
Non-operating revenues:		
Interest income		69,829
Net income		580,965
Net position beginning of year		1,437,699
Net position end of year		$ 2,018,664

See notes to financial statements.

Jasper County

Statement of Cash Flows
Proprietary Fund

Year Ended June 30, 2024

	Internal Service-Employee Group Health
Cash flows from operating activities:	
Cash received from operating fund reimbursements	$ 2,762,993
Cash received from employees and others	444,299
Cash received from stop loss insurance recoveries	125,467
Cash paid for administrative fees	(149,565)
Cash paid to suppliers for services	(2,633,425)
Net cash provided by operating activities	549,769
Cash flows from investing activities:	
Interest on investments	69,829
Net increase in cash and cash equivalents	619,598
Cash and cash equivalents beginning of year	1,687,935
Cash and cash equivalents end of year	$ 2,307,533
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 511,136
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
Accounts receivable	(142,958)
Accounts payable	181,591
Net cash provided by operating activities	$ 549,769

See notes to financial statements.

Jasper County

Statement of Fiduciary Net Position
Custodial Funds

June 30, 2024

	Other Employee Benefit Trust	Custodial
Assets		
Cash, cash equivalents and pooled investments:		
County Treasurer	$ 70,991	2,961,179
Other County officials	-	37,729
Receivables:		
Property tax:		
Delinquent	-	103,197
Succeeding year	-	53,552,000
Accounts	18,338	13,349
Special assessments	-	108,611
Due from other governments	-	-
Total assets	89,329	56,776,065
Liabilities		
Accounts payable	-	20,750
Salaries and benefits payable	-	25,454
Due to other governments	-	1,909,827
Trusts payable	-	28,278
Compensated absences	-	44,875
Total liabilities	-	2,029,184
Deferred Inflows of Resources		
Unavailable property tax revenue	-	53,552,000
Net position		
Held in trust for employee benefits	89,329	-
Restricted for individuals, organizations and other governments	-	1,194,881
Total net position	$ 89,329	1,194,881

See notes to financial statements.

Jasper County

Statement of Changes in Fiduciary Net Position
Custodial Funds

Year ended June 30, 2024

	Other Employee Benefit Trust	Custodial
Additions:		
Donations and contributions	$ 66,261	-
Property and other county tax	-	51,367,333
911 surcharge	-	306,272
State tax credits	-	3,169,639
Drivers license fees	-	265,125
Office fees and collections	-	1,179,047
Auto licenses, use tax and postage	-	15,399,165
Assessments	-	119,668
Trusts	-	2,901,427
Miscellaneous	-	7,577
Total additions	66,261	74,715,253
Deductions:		
Distributions to participants	101,178	-
Agency remittances:		
To other funds	-	1,242,280
To other governments	-	71,524,829
Trusts paid out	-	1,961,172
Total deductions	101,178	74,728,281
Change in net position held in trust	(34,917)	(13,028)
Net position beginning of year	124,246	1,207,909
Net position end of year	$ 89,329	1,194,881

See notes to financial statements.

(1) Summary of Significant Accounting Policies

Jasper 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, Jasper 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 Jasper 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.

Seven 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 Jasper County Board of Supervisors. The drainage districts are reported as a Special Revenue Fund. Financial information of the individual drainage districts can be obtained from the Jasper 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: Jasper County Assessor's Conference Board, Jasper County Emergency Management Commission and Jasper County Joint 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.

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/amortization and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Nonexpendable restricted net position is subject to externally imposed stipulations which require it to be maintained permanently by the County, including the County's Permanent Fund.

Expendable 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, proprietary funds 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 governmental 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 road construction and maintenance.

The Legacy Plaza Economic Development Fund is used to account for the reinvestment district revenues and to pay construction cost incurred in the district.

The Debt Service Fund is utilized to account for property tax and other revenues to be used for the payment of interest and principal on the County's general long-term debt.

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:

The Other Employee Benefit Trust Fund is used to account for resources held for retired employees who participated in the County's sick leave conversion program.

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 non-negotiable certificates of deposit which are stated at amortized cost.

For the 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 April 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 have 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 they are 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, 2022 assessed property valuations; is for the tax accrual period July 1, 2023 through June 30, 2024 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in April 2023.

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.

Special Assessments Receivable – Special assessments receivable represent the amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in not more than 15 annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Special assessments receivable represent assessments which have been made but have not been collected.

Advances to/from Other Funds – Non-current portions of long-term interfund loan receivables are reported as advances and are offset equally by a nonspendable fund balance which indicates they do not constitute expendable available financial resources and, therefore, are not available to liquidate current obligations.

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 are tangible and intangible assets, which include property, furniture and equipment and infrastructure assets 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 costs in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Intangibles	$ 100,000
Infrastructure	50,000
Land improvements	5,000
Land, buildings and improvements	5,000
Machinery, equipment and vehicles	5,000
Right-to-use leased 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	40 - 50
Building improvements	20 - 50
Improvements other than buildings	10 - 50
Infrastructure	10 - 65
Machinery and equipment	2 - 20
Vehicles	3 - 15
Right-to-use leased assets	2 - 10
Intangibles	2 - 10

Leases – **County as Lessee** – 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 payment expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payment 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 Jasper County determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

> Jasper 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.

County as Lessor – Jasper County is a lessor for noncancellable leases of farmland and office space. 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 lase receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue of the life of the lease term.

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

> Jasper 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.

<u>Deferred Outflows of Resources</u> – 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.

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

<u>Unearned Revenue</u> – 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 represents 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.

<u>Trusts Payable</u> – 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, sick leave and compensatory hours for subsequent use or for payment upon termination, death or retirement. Accumulated sick leave in excess of 1,440 hours will be paid at the last rate of pay to an employee upon retirement. Upon retirement, employees may elect to convert up to 720 hours of accumulated sick leave to cash to be accounted for in the Fiduciary, Employee Benefit Trust Fund and used for continued health care coverage. A liability is recorded when incurred in the government-wide, proprietary fund 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, 2024. 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 and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund 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 and 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 Jasper 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 they are levied.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax and tax increment financing tax receivables that will not be recognized until the year for which they are levied, unrecognized items not yet charged to pension and OPEB expense, the unamortized portion of the net difference between projected and actual earnings on pension plan assets and deferred amounts related to leases.

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.

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. During the year ended June 30, 2024, disbursements exceeded the amounts budgeted in the county environment and education, roads and transportation, non-program and debt services functions. In addition, disbursements in roads and transportation, debt service and capital projects functions and four departments exceeded the budget/appropriation prior to amendment.

(2) Cash, Cash Equivalents and Pooled Investments

The County's deposits in banks at June 30, 2024 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 no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

(3) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2024 is as follows:

Transfer to	Transfer from	Amount
General	Special Revenue:	
	Local Option Sales and Services Tax	$ 1,037,420
Special Revenue:		
Rural Services	Special Revenue:	
	Local Option Sales and Services Tax	800,000
Secondary Roads	General	609,547
	Special Revenue:	
	Rural Services	3,461,009
		4,070,556
Debt Service	Special Revenue:	
	Tax increment financing	451,335
	Legacy Plaza Economic Development	276,966
		728,301
Capital Projects	General	927,885
Total		$ 7,564,162

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

(4) Advances To and From other Funds

Receivable Fund	Payable Fund	Amount
General	Rural Services	$ 600,000

During fiscal year 2022, the County approved an interfund loan from the General Fund to the Rural Services Fund for $600,000. The interfund loan was made to cover a low cash balance in the fund.

(5) Capital Assets

Capital assets activity for the year ended June 30, 2024 was as follows:

	Balance Beginning of Year, as Restated	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	$ 2,519,492	75,000	-	2,594,492
Construction in progress	6,632,934	10,045,214	4,013,039	12,665,109
Total capital assets not being depreciated/amortized	9,152,426	10,120,214	4,013,039	15,259,601
Capital assets being depreciated/amortized:				
Buildings	15,788,791	891,048	-	16,679,839
Improvements other than buildings	3,435,924	3,759,642	-	7,195,566
Machinery, equipment and vehicles	20,008,842	1,890,973	622,463	21,277,352
Right-to-use leased equipment	11,728	-	11,728	-
Intangibles	145,252	-	-	145,252
Infrastructure	80,797,574	234,173	-	81,031,747
Total capital assets being depreciated/amortized	120,188,111	6,775,836	634,191	126,329,756
Less accumulated depreciation/amortization for:				
Buildings	4,290,067	277,641	-	4,567,708
Improvements other than buildings	1,569,944	335,237	-	1,905,181
Machinery, equipment and vehicles	8,763,160	1,632,244	620,093	9,775,311
Right-to-use leased equipment	11,728	-	11,728	-
Intangibles	72,627	7,263	-	79,890
Infrastructure	40,378,695	1,965,462	-	42,344,157
Total accumulated depreciation/amortization	55,086,221	4,217,847	631,821	58,672,247
Total capital assets being depreciated/amortized, net	65,101,890	2,557,989	2,370	67,657,509
Governmental activities capital assets, net	$ 74,254,316	12,678,203	4,015,409	82,917,110

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	$ 862,892
Physical health and social services	3,170
County environment and education	246,436
Roads and transportation	2,780,901
Governmental services to residents	968
Administration	323,480
Total depreciation/amortization expense - governmental activities	$ 4,217,847

Equipment with a total cost of $2,157,503 was purchased under equipment replacement agreements. Accumulated depreciation on these assets totaled $348,223 at June 30, 2024.

(6) Lease Receivable

On September 23, 2021, the County entered into a five-year agreement to rent County-owned farmland. The County is to receive $39,379 semi-annually with an estimated implicit interest rate of 3.75% with the final receipt due December 1, 2026. The County amended the agreement on January 1, 2023 where the County is to receive $37,149 semi-annually. During the year ended June 30, 2024, the County received $65,851 in principal and $8,447 in interest.

On December 14, 2021, the County entered three-year agreement to rent County owned farmland. The County is to receive $5,767 semi-annually with an estimated implicit interest rate of 3.75% with the final receipt due December 15, 2024. During the year ended June 30, 2024, the County received $11,012 in principal and $522 in interest.

On April 5, 2022, the County entered into a three-year agreement to rent office space to Heart of Iowa Regional Transit Agency. The County is to receive $487 monthly with an implicit interest rate of 4% with the final receipt due March 1, 2025. During the year ended June 30, 2024, the County received $5,551 in principal and $293 in interest.

Future lease principal and interest receivable on these agreements as of June 30, 2024 is as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 78,315	6,133	84,448
2026	70,930	3,368	74,298
2027	36,466	683	37,149
	$ 185,711	10,184	195,895

(7) 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, 2024 is as follows:

Fund	Description	Amount
General	Services	$ 19,193
Special Revenue:		
Rural Services	Services	10,069
Secondary Roads	Services	810
Total for governmental funds		$ 30,072
Custodial:		
County Offices	Collections	$ 17,989
Schools		241,126
Community Colleges		12,498
Corporations		133,616
Auto License and Use Tax		1,261,998
All other		242,600
Total for agency funds		$ 1,909,827

(8) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2024 is as follows:

	General Obligation Capital Loan Notes	Equipment Purchase Agreement	Compensated Absences	Net Pension Liability	Total OPEB Liability	Total
Balance beginning of year	$ 4,810,000	1,612,691	2,011,767	2,616,006	807,936	11,858,400
Increases	8,520,000	-	968,684	1,027,726	152,701	10,669,111
Decreases	1,270,000	525,307	829,678	-	114,349	2,739,334
Balance end of year	$ 12,060,000	1,087,384	2,150,773	3,643,732	846,288	19,788,177
Due within one year	$ 1,325,000	520,327	720,421	-	74,937	2,640,685

General Obligation Capital Loan Notes

A summary of the County's June 30, 2024 general obligation capital loan note indebtedness is as follows:

Year Ending June 30,	Refunding Issued May 16, 2016 Interest Rates	Principal	Interest	Series 2021 Issued May 10, 2021 Interest Rates	Principal	Interest
2025	2.35%	$ 420,000	32,315	3.00%	$ 905,000	67,200
2026	2.50	435,000	22,445	3.00	925,000	40,050
2027	2.60	445,000	11,570	3.00	410,000	12,300
2028		-	-		-	-
2029		-	-		-	-
2030-2034		-	-		-	-
2035-2039		-	-		-	-
2040-2043		-	-		-	-
Total		$ 1,300,000	66,330		$ 2,240,000	119,550

Year Ending June 30,	Reinvestment District Series 2023 Issued Oct 25, 2023 Interest Rates	Principal	Interest	Total Principal	Total Interest	Total
2025		$ -	459,110	$ 1,325,000	558,625	1,883,625
2026		-	459,110	1,360,000	521,605	1,881,605
2027	5.00%	325,000	459,110	1,180,000	482,980	1,662,980
2028	4.90	340,000	442,860	340,000	442,860	782,860
2029	5.10	360,000	426,200	360,000	426,200	786,200
2030-2034	5.10-5.30	2,080,000	1,836,485	2,080,000	1,836,485	3,916,485
2035-2039	5.30-5.50	2,685,000	1,226,715	2,685,000	1,226,715	3,911,715
2040-2043	5.60-5.70	2,730,000	379,700	2,730,000	379,700	3,109,700
Total		$ 8,520,000	5,689,290	$ 12,060,000	5,875,170	17,935,170

On May 16, 2016, the County issued $3,665,000 of general obligation capital loan notes for the purpose of refunding $3,500,000 of general obligation urban renewal bonds dated November 1, 2007. The notes bear interest at rates ranging from 1.15% to 2.60% per annum and mature in June 2027. During the year ended June 30, 2024, the County paid principal of $410,000 and interest of $41,335 on the notes.

On May 10, 2021, the County issued $3,320,000 of general obligation capital loan notes, Series 2021 for the purpose to pay costs of public buildings, including the site or grounds of, and the erection, equipment, remodeling, or reconstruction of, and additions or extensions to the County Administration Building. The notes bear interest at 3.00% per annum and mature in June 2027. During the year ended June 30, 2024, the County paid principal of $860,000 and interest of $93,000.

On October 25, 2023, the County issued $8,520,000 of general obligation urban renewal capital loan notes, Series 2023, pursuant to Chapters 15A and 403 of the Code of Iowa. The notes were issued to pay the costs of urban renewal projects for the Legacy Plaza Urban Renewal Area, including funding construction grants in connection with the Newton Legacy Reinvestment District. The notes bear interest at rates ranging from 4.90% to 5.70% per annum and mature in June 2043. During the year ended June 30, 2024, the County made no principal payments and paid interest of $275,466 on the notes.

Equipment Purchase Agreement

During the year ended June 30, 2021, the County entered into an equipment purchase agreement for solar modules for County buildings. The total agreement is for $447,700 in principal with interest at 3.88% per annum. During the year ended June 30, 2024, the County paid principal of $25,889 and interest of $14,773 on the agreement.

During the year ended June 30, 2023, the County entered into an equipment purchase agreement for radio equipment for $1,131,244. The agreement requires annual payments of $377,081 over the three years with no interest and final payment due on July 1, 2024. During the year ended June 30, 2024, the County paid principal of $377,081 on the agreement.

During the year ended June 30, 2023, the County entered into an equipment purchase agreement for car and body cameras for $578,559. These agreements require annual payments of $116,342 over the next four years with no interest and final payment due on October 31, 2026. During the year ended June 30, 2024 the County paid principal of $122,337 on the agreement, with two payments for additional equipment from the prior year period paid during this fiscal year for $5,995.

The following is a schedule of the future minimum payments under the agreement in effect at June 30, 2024:

Year Ending June 30,	Solar Modules Principal	Solar Modules Interest	Solar Modules Total	Radio Equipment Principal	Camera Devices Principal
2025	$ 26,903	13,759	40,662	$ 377,082	$ 116,342
2026	27,957	12,705	40,662	-	116,342
2027	29,052	11,610	40,662	-	116,340
2028	30,190	10,472	40,662	-	-
2029	31,373	9,289	40,662	-	-
2030-2034	176,294	27,016	203,310	-	-
2035	39,509	1,153	40,662	-	-
	$ 361,278	86,004	447,282	$ 377,082	$ 349,024

Year Ending June 30,	Total Principal	Total Interest	Total
2025	$ 520,327	13,759	534,086
2026	144,299	12,705	157,004
2027	145,392	11,610	157,002
2028	30,190	10,472	40,662
2029	31,373	9,289	40,662
2030-2034	176,294	27,016	203,310
2035	39,509	1,153	40,662
	$ 1,087,384	86,004	1,173,388

(9) Pension Plan

Plan Description – IPERS membership is mandatory for employees of the County, except for those covered by another retirement system. Employees of the County are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 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 and protection occupation member's monthly IPERS benefit includes:

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for 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 – Contributions 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 2024, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the County contributed 9.44% for a total rate of 15.73%. The Sheriff, deputies and the County each contributed 8.51% of covered payroll for a total rate of 17.02%. Protection occupation members contributed 6.21% of covered payroll and the County contributed 9.31% for a total rate of 15.52%.

The County's contributions to IPERS for the year ended June 30, 2024 totaled $1,053,508.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2024, the County reported a liability of $3,643,732 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2023, the County's proportion was 0.080727%, which was an increase of 0.011487% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the County recognized pension expense of $338,669. At June 30, 2024, 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	$ 780,297	17,120
Changes of assumptions	-	120,624
Net difference between projected and actual earnings on IPERS' investments	590,082	-
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	27,144	319,499
County contributions subsequent to the measurement date	1,053,508	-
Total	$ 2,451,031	457,243

$1,053,508 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, 2025. 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
2025	$ (197,589)
2026	(482,060)
2027	1,324,920
2028	249,654
2029	45,355
Total	$ 940,280

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension asset in the June 30, 2023 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, 2023 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 2023 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:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	21.0%	4.56%
International equity	16.5	6.22
Global smart beta equity	5.0	5.22
Core plus fixed income	23.0	2.69
Public credit	3.0	4.38
Cash	1.0	1.59
Private equity	17.0	10.44
Private real assets	9.0	3.88
Private credit	4.5	4.60
Total	100.0%	

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 liability.

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 (asset)	$ 10,141,497	3,643,732	(1,803,176)

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, 2024.

(10) 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 Jasper 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, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	9
Active employees	170
Total	179

Total OPEB Liability – The County's total OPEB liability of $846,288 was measured as of June 30, 2024 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2024)	2.60% per annum.
Rates of salary increase (effective June 30, 2024)	3.25% per annum, including inflation.
Discount rate (effective June 30, 2024)	4.21% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2024)	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 4.21% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used for IPERS.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year	$ 807,936
Changes for the year:	
Service cost	83,513
Interest	35,712
Differences between expected and actual experiences	(60,286)
Changes in assumptions	33,476
Benefit payments	(54,063)
Net changes	38,352
Total OPEB liability end of year	$ 846,288

Changes of assumptions reflect a change in the discount rate from 4.13% in fiscal year 2023 to 4.21% in fiscal year 2024.

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 (3.21%) or 1% higher (5.21%) than the current discount rate.

	1% Decrease (3.21%)	Discount Rate (4.21%)	1% Increase (5.21%)
Total OPEB liability	$ 903,064	846,288	792,424

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 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	$ 760,242	846,288	947,242

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2024, the County recognized OPEB expense of $65,407. At June 30, 2024, 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	$ 91,573	182,819
Changes in assumptions	65,494	61,203
Total	$ 157,067	244,022

The amounts 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
2025	$ 241
2026	13,161
2027	8,941
2028	(21,960)
2029	(21,960)
Thereafter	(65,378)
	$ (86,955)

(11) Risk Management

The County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 803 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, 2024 were $404,206.

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 $500,000 each occurrence, each location. Property risks 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.

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, 2024, no liability has been recorded in the County's financial statements. As of June 30, 2024, 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 $250,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(12) Employee Health Insurance Plan

The Internal Service, Employee Group Health Fund was established 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 $100,000. 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 Wellmark from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2024 was $2,951,470.

Amounts payable from the Employee Group Health Fund at June 30, 2024 total $479,805, which is incurred for but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior-year and current-year claims and to establish a reserve for catastrophic losses. That reserve was $2,018,664 at June 30, 2024 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 financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of 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 the current year is as follows:

Unpaid claims beginning of year	$ 298,214
Incurred claims (including claims incurred but not reported at June 30, 2023)	2,472,617
Payments:	
Payment on claims during the year	2,291,026
Unpaid claims end of year	$ 479,805

(13) Voluntary Termination Benefit Program

A voluntary termination benefit program has been established for County employees. The program allows an employee who is eligible, upon a bona fide retirement, to use the value of up to 720 hours of their unused sick leave to pay the County's share of the monthly premium of the County's group health insurance plan after their retirement.

Upon retirement, the balance of the accrued sick leave will be credited to the employee's sick leave upon retirement account. The County will continue to pay its share of the health insurance premium each month until the converted value of the employee's sick leave balance is exhausted, or the employee is eligible for Medicare, whichever comes first. The converted value of the sick leave can only be applied to the County's share of health insurance premiums.

All program benefits are financed on a pay-as-you-go basis by the County. The County accounts for retiree activity in the Fiduciary, Other Employee Benefit Trust Fund. Amounts due for the program have been included in and reported as compensated absences on the government-wide financial statements. The liability for expected future health insurance benefits under this program at June 30, 2024 is $1,151,027.

For the year ended June 30, 2024, fourteen employees participated and received benefits totaling $101,178 under the program. The County contributed $66,261 to the fund for retirees under the program.

(14) 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 an outside investment company and do not constitute a liability of the County.

(15) Reinvestment District Development Agreement

On February 24, 2023, the City of Newton and Jasper County entered into an agreement with Christensen Development 1, LLC, (Developer), for the development of a reinvestment district under Iowa Code Section 15J named the Newton Legacy Reinvestment District. The County adopted an Urban Renewal plan for the purpose of carrying out urban renewal projects activities in an area known as the Legacy Plaza Urban Renewal Area. The developer will acquire certain real property located in the foregoing Urban Renewal Area. On October 25, 2023, the County issued general obligation urban renewal capital loan notes, Series 2023. The notes were issued to pay costs of urban renewal projects for the Legacy Plaza Urban Renewal Area, including funding construction grants in connection with the Newton Legacy Reinvestment District. The County will make monthly installments equal to 75% of the actual cost incurred by Developer to construct the apartment and hotel improvements as verified through a construction draw process to be reviewed by a third-party review, in accordance with the terms of this Development Agreement up to a maximum of $8,000,000. During the year ended June 30, 2024, the County paid the Developer $8,000,000.

Per Iowa Code Chapter 15J.7, state sales tax revenue and state hotel and motel tax revenue remitted by the State to the County shall be deposited in a reinvestment project fund and shall be used to fund projects within the district from which the revenues were collected. The general obligation urban renewal capital loan notes will be repaid by the state sales tax revenue received within the Legacy Plaza Urban Renewal Area. The commencement date of the reinvestment district is October 1, 2024 and completion of minimum improvements by October 1, 2025. The full assessment of the minimum improvements will be performed by January 1, 2026.

(16) 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

Other entities within the County also provided tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa. Additionally, the City of Colfax offered an urban revitalization tax abatement program pursuant to Chapter 404 of the Code of Iowa. With prior approval by the governing body, this program provides for an exemption of taxes based on a percentage of the actual value added by improvements.

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2024 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Baxter	Urban renewal and economic development projects	$ 4,048
City of Colfax	Urban renewal and economic development projects	1,474
	Chapter 404 tax abatement program	8,961
City of Newton	Urban renewal and economic development projects	62,562
City of Sully	Urban renewal and economic development projects	11,150
City of Kellogg	Urban renewal and economic development projects	29,258

(17) Loans Receivable

During the year ended June 30, 2015, the County entered into a 28E agreement with the City of Kellogg for a bridge replacement within the Kellogg City limits. The County will assess the City for all costs to be reimbursed to the County's Secondary Road Fund. The City is required to reimburse the County's Secondary Road Fund for the City's share of costs over a period of five years, with equal payments of $7,700 with the first payment due September 30, 2022; however, the first payment was made during the year ended June 30, 2023. During the year ending June 30, 2024, $7,700 was received and the outstanding loan receivable is $15,400.

During the year ended June 30, 2017, the County entered into a 28E agreement with the City of Sully to pave a County highway within Sully City limits. The County will assess the City for all costs to be reimbursed to the County's Secondary Road Fund. The City is required to reimburse the County's Secondary Road Fund for the City's share of costs over a period of ten years, with equal payments of $25,500, and the final installment payment of $23,588. During the year ending June 30, 2024, $25,500 was received and the outstanding loan receivable is $74,588.

Required Supplementary Information

Jasper 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, 2024

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	$ 19,339,178	-	19,339,178
Interest and penalty on property tax	84,276	-	84,276
Intergovernmental	9,453,930	-	9,453,930
Licenses and permits	225,594	-	225,594
Charges for service	1,396,309	-	1,396,309
Use of money and property	1,403,342	-	1,403,342
Miscellaneous	2,546,970	-	2,546,970
Total receipts	34,449,599	-	34,449,599
Disbursements:			
Public safety and legal services	8,653,518	-	8,653,518
Physical health and social services	1,882,149	-	1,882,149
County environment and education	9,986,613	-	9,986,613
Roads and transportation	13,222,089	-	13,222,089
Governmental services to residents	1,608,896	-	1,608,896
Administration	5,063,843	-	5,063,843
Non-program	95,475	-	95,475
Debt service	2,099,694	-	2,099,694
Capital projects	1,864,220	-	1,864,220
Total disbursements	44,476,497	-	44,476,497
Deficiency of receipts under disbursements	(10,026,898)	-	(10,026,898)
Other financing sources, net	8,520,588	-	8,520,588
Change in balances	(1,506,310)	-	(1,506,310)
Balance beginning of year	28,951,348	57,884	28,893,464
Balance end of year	$ 27,445,038	57,884	27,387,154

See accompanying independent auditor's report.

Budgeted Amounts		Final to Net
Original	Final	Variance
18,172,716	19,520,116	(180,938)
10,000	24,000	60,276
7,674,694	10,769,286	(1,315,356)
168,500	170,000	55,594
1,512,992	1,713,652	(317,343)
588,874	620,518	782,824
982,694	953,601	1,593,369
29,110,470	33,771,173	678,426
9,685,982	9,737,789	1,084,271
2,038,899	2,092,655	210,506
1,923,358	2,206,818	(7,779,795)
10,169,083	10,959,096	(2,262,993)
1,888,421	1,854,301	245,405
5,007,644	6,049,957	986,114
335,900	42,274	(53,201)
1,446,098	2,099,546	(148)
1,564,000	11,336,592	9,472,372
34,059,385	46,379,028	1,902,531
(4,948,915)	(12,607,855)	2,580,957
-	50,000	8,470,588
(4,948,915)	(12,557,855)	11,051,545
19,061,332	19,061,322	9,832,142
14,112,417	6,503,467	20,883,687

Jasper County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2024

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	$ 34,449,599	3,587,845	38,037,444
Expenditures	44,476,497	(1,184,556)	43,291,941
Net	(10,026,898)	4,772,401	(5,254,497)
Other financing sources	8,520,588	-	8,520,588
Beginning fund balances	28,951,348	(5,586,411)	23,364,937
Ending fund balances	$ 27,445,038	(814,010)	26,631,028

See accompanying independent auditor’s report.

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, Fiduciary Funds 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, the Capital Projects Fund and the Permanent 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, one budget amendment increased budgeted disbursements by $12,319,643. The budget amendment is 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, 2024, disbursements exceeded the amounts budgeted in the county environment and education, roads and transportation, non-program and debt services functions. In addition, disbursements in roads and transportation, debt service and capital projects functions and four departments exceeded the budget/appropriation prior to amendment.

Jasper County

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

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

Required Supplementary Information

	2024	2023	2022	2021
County's proportion of the net pension liability (asset)	0.080727%	0.069240%	0.670652% **	0.101083%
County's proportionate share of the net pension liability (asset)	$ 3,644	2,616	(2,315)	7,101
County's covered payroll	$ 10,734	10,206	10,057	10,170
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	33.94%	25.63%	(23.02)%	69.82%
IPERS' net position as a percentage of the total pension liability (asset)	90.13%	91.40%	100.81%	82.90%

* 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.

2020	2019	2018	2017	2016	2015
0.097319%	0.100727%	0.106372%	0.109621%	0.100784%	0.096791%
5,635	6,374	7,086	6,899	4,979	3,839
10,038	9,849	9,582	9,494	8,840	8,482
56.14%	64.72%	73.95%	72.67%	56.32%	45.26%
85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

Jasper County

Schedule of County Contributions

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

Required Supplementary Information

		2024	2023	2022	2021
Statutorily required contribution	$	1,054	1,000	956	948
Contributions in relation to the statutorily required contribution		(1,054)	(1,000)	(956)	(948)
Contribution deficiency (excess)	$	-	-	-	-
County's covered payroll	$	11,359	10,734	10,206	10,057
Contributions as a percentage of covered payroll		9.28%	9.32%	9.37%	9.43%

See accompanying independent auditor's report.

2020	2019	2018	2017	2016	2015
966	958	894	873	868	810
(966)	(958)	(894)	(873)	(868)	(810)
-	-	-	-	-	-
10,170	10,038	9,849	9,582	9,494	8,840
9.50%	9.54%	9.08%	9.11%	9.14%	9.16%

Jasper County

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%.

Jasper County

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

For the Last Seven Years
Required Supplementary Information

	2024	2023	2022	2021
Service cost	$ 83,513	85,342	99,505	88,776
Interest cost	35,712	36,222	22,796	25,216
Difference between expected and actual experiences	(60,286)	(62,669)	(97,898)	11,825
Changes in assumptions	33,476	(2,150)	(78,968)	31,166
Benefit payments	(54,063)	(97,213)	(76,495)	(72,957)
Net change in total OPEB liability	38,352	(40,468)	(131,060)	84,026
Total OPEB liability beginning of year	807,936	848,404	979,464	895,438
Total OPEB liability end of year	$ 846,288	807,936	848,404	979,464
Covered-employee payroll	$ 10,849,987	10,878,347	9,613,448	10,276,284
Total OPEB liability as a percentage of covered-employee payroll	7.8%	7.4%	8.8%	9.5%

See accompanying independent auditor's report.

2020	2019	2018
51,073	45,926	44,420
22,500	21,823	22,483
212,157	19,701	(70,058)
35,093	14,046	(33,314)
(30,438)	(28,522)	(29,854)
290,385	72,974	(66,323)
605,053	532,079	598,402
895,438	605,053	532,079
9,397,773	10,129,122	9,204,083
9.5%	6.0%	5.8%

<u>Changes in benefit terms</u>:

There were no significant changes in benefit terms.

<u>Changes in assumptions</u>:

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

- Changed mortality assumptions to the SOA Public Plan 2010 tables.

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, 2024	4.21%
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

Jasper County

Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2024

	Special		
	County Recorder's Records Management	Resource Enhancement and Protection	Local Option Sales and Services Tax
Assets			
Cash, cash equivalents and pooled investments	$ 34,111	165,124	2,123,085
Receivables:			
Succeeding year tax increment financing	-	-	-
Opioid settlement	-	-	-
Due from other governments	-	-	199,143
Total assets	$ 34,111	165,124	2,322,228
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	$ -	2,550	-
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year tax increment financing	-	-	-
Other	-	-	-
Total deferred inflows of resources	-	-	-
Fund balances:			
Nonspendable - Permanent Fund	-	-	-
Restricted for:			
Local option sales and services tax purposes	-	-	2,322,228
Debt service	-	-	-
Opioid abatement	-	-	-
Other purposes	34,111	162,574	-
	34,111	162,574	2,322,228
Total liabilities, deferred inflows of resources and fund balances	$ 34,111	165,124	2,322,228

See accompanying independent auditor’s report.

Revenue					
Drainage Districts	Tax Increment Financing	Local Government Opioid Abatement	Other	Permanent Loskot Trust	Total
57,884	699,990	285,500	239,127	17,128	3,621,949
-	467,000	-	-	-	467,000
-	-	1,765,629	-	-	1,765,629
-	-	-	-	-	199,143
57,884	1,166,990	2,051,129	239,127	17,128	6,053,721
-	-	-	-	-	2,550
-	467,000	-	-	-	467,000
-	-	1,659,099	-	-	1,659,099
-	467,000	1,659,099	-	-	2,126,099
-	-	-	-	12,000	12,000
-	-	-	-	-	2,322,228
-	699,990	-	-	-	699,990
-	-	392,030	-	-	392,030
57,884	-	-	239,127	5,128	498,824
57,884	699,990	392,030	239,127	17,128	3,925,072
57,884	1,166,990	2,051,129	239,127	17,128	6,053,721

Jasper County

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

Year ended June 30, 2024

	Special		
	County Recorder's Records Management	Resource Enhancement and Protection	Local Option Sales and Services Tax
Revenues:			
Tax increment financing	$ -	-	-
Local option sales and services tax	-	-	2,168,416
Intergovernmental	-	17,113	-
Charges for service	5,790	-	-
Use of money and property	1,062	6,536	-
Miscellaneous	-	-	-
Total revenues	6,852	23,649	2,168,416
Expenditures:			
Operating:			
Public safety and legal services	-	-	-
Physical health and social services	-	-	-
Government services to residents	7,375	-	-
Administration	-	-	-
Capital projects	-	119,337	-
Total expenditures	7,375	119,337	-
Excess (deficiency) of revenues over (under) expenditures	(523)	(95,688)	2,168,416
Other financing uses:			
Transfers out	-	-	(1,837,420)
Change in fund balances	(523)	(95,688)	330,996
Fund balances beginning of year	34,634	258,262	1,991,232
Fund balances end of year	$ 34,111	162,574	2,322,228

See accompanying independent auditor’s report.

Revenue					
Drainage Districts	Tax Increment Financing	Local Government Opioid Abatement	Other	Permanent Loskot Trust	Total
-	445,352	-	-	-	445,352
-	-	-	-	-	2,168,416
-	-	-	1,771	-	18,884
-	-	-	-	-	5,790
-	-	5,547	2,095	528	15,768
-	-	428,638	61,513	-	490,151
-	445,352	434,185	65,379	528	3,144,361
-	-	-	10,760	-	10,760
-	-	165,000	-	-	165,000
-	-	-	-	-	7,375
-	-	-	16,853	-	16,853
-	-	-	-	-	119,337
-	-	165,000	27,613	-	319,325
-	445,352	269,185	37,766	528	2,825,036
-	(451,335)	-	-	-	(2,288,755)
-	(5,983)	269,185	37,766	528	536,281
57,884	705,973	122,845	201,361	16,600	3,388,791
57,884	699,990	392,030	239,127	17,128	3,925,072

Jasper County

Combining Schedule of Fiduciary Net Position
Custodial Funds

June 30, 2024

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	$ -	2,432	250,213	241,126
Other County officials	37,729	-	-	-
Receivables:				
Property tax:				
Delinquent	-	538	782	54,144
Succeeding year	-	322,000	595,000	32,429,000
Accounts	-	-	-	-
Special assessments	-	-	-	-
Total assets	37,729	324,970	845,995	32,724,270
Liabilities				
Liabilities:				
Accounts payable	-	-	9,924	-
Salaries and benefits payable	-	-	16,168	-
Due to other governments	17,989	2,432	-	241,126
Trusts payable	19,740	-	-	-
Compensated absences	-	-	36,816	-
Total liabilities	37,729	2,432	62,908	241,126
Deferred Inflows of Resources				
Unavailable revenues	-	322,000	595,000	32,429,000
Net Position				
Restricted for individuals, organizations and other governments	$ -	538	188,087	54,144

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Other	Total
12,498	133,616	4,247	11,106	1,261,998	1,043,943	2,961,179
-	-	-	-	-	-	37,729
2,516	17,979	2,021	-	-	25,217	103,197
1,708,000	13,444,000	678,000	-	-	4,376,000	53,552,000
-	-	-	-	-	13,349	13,349
-	-	-	108,611	-	-	108,611
1,723,014	13,595,595	684,268	119,717	1,261,998	5,458,509	56,776,065
-	-	-	-	-	10,826	20,750
-	-	-	-	-	9,286	25,454
12,498	133,616	4,247	11,106	1,261,998	224,815	1,909,827
-	-	-	-	-	8,538	28,278
-	-	-	-	-	8,059	44,875
12,498	133,616	4,247	11,106	1,261,998	261,524	2,029,184
1,708,000	13,444,000	678,000	-	-	4,376,000	53,552,000
2,516	17,979	2,021	108,611	-	820,985	1,194,881

Jasper County

Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds

Year ended June 30, 2024

	County Offices	Agricultural Extension Education	County Assessor	Schools
Additions:				
Property and other county tax	$ -	317,227	460,940	31,277,384
911 surcharge	-	-	-	-
State tax credits	-	19,975	28,945	1,717,612
Driver's license fees	-	-	-	-
Office fees and collections	1,173,257	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	2,354,247	-	-	-
Miscellaneous	-	-	-	-
Total additions	3,527,504	337,202	489,885	32,994,996
Deductions:				
Agency remittances:				
To other funds	719,354	-	-	-
To other governments	846,978	337,197	536,240	32,992,414
Trusts paid out	1,961,172	-	-	-
Total deductions	3,527,504	337,197	536,240	32,992,414
Changes in net position	-	5	(46,355)	2,582
Net position beginning of year	-	533	234,442	51,562
Net position end of year	$ -	538	188,087	54,144

See accompanying independent auditor’s report.

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Other	Total
1,619,843	12,812,954	664,192	-	-	4,214,793	51,367,333
-	-	-	-	-	306,272	306,272
87,470	1,188,782	27,761	-	-	99,094	3,169,639
-	-	-	-	265,125	-	265,125
-	-	-	-	-	5,790	1,179,047
-	-	-	-	15,399,165	-	15,399,165
-	-	-	119,668	-	-	119,668
-	-	-	-	-	547,180	2,901,427
-	-	-	-	-	7,577	7,577
1,707,313	14,001,736	691,953	119,668	15,664,290	5,180,706	74,715,253
-	-	-	-	522,926	-	1,242,280
1,707,047	14,001,478	691,836	102,889	15,141,364	5,167,386	71,524,829
-	-	-	-	-	-	1,961,172
1,707,047	14,001,478	691,836	102,889	15,664,290	5,167,386	74,728,281
266	258	117	16,779	-	13,320	(13,028)
2,250	17,721	1,904	91,832	-	807,665	1,207,909
2,516	17,979	2,021	108,611	-	820,985	1,194,881

Jasper County

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

For the Last Ten Years

	2024	2023	2022	2021
Revenues:				
Property and other county tax	$ 16,770,741	16,042,437	16,014,273	16,143,458
Tax increment financing	445,352	472,139	443,436	533,375
Local option sales and services tax	2,168,416	1,833,528	2,056,959	1,988,005
Interest and penalty on property tax	84,276	91,605	80,342	167,124
Intergovernmental	12,873,883	11,243,461	10,527,089	10,012,189
Licenses and permits	235,700	228,210	259,360	251,523
Charges for service	1,402,123	1,459,727	1,499,063	1,442,574
Use of money and property	1,361,230	675,021	263,659	251,599
Miscellaneous	2,695,723	1,236,817	788,502	893,706
Total	$ 38,037,444	33,282,945	31,932,683	31,683,553
Expenditures:				
Operating:				
Public safety and legal services	$ 8,494,094	11,150,581	8,296,833	7,382,831
Physical health and social services	2,059,213	2,090,461	1,971,353	1,653,473
Mental health	-	-	862,874	970,341
County environment and education	9,986,669	1,668,313	1,714,510	2,003,849
Roads and transportation	12,317,747	11,911,998	7,733,139	8,789,147
Governmental services to residents	1,605,992	1,666,531	1,491,076	1,328,241
Administration	4,782,866	3,720,290	3,394,890	3,915,464
Non-program	95,475	77,818	47,467	315,908
Debt service	2,098,944	1,418,952	1,483,021	1,539,759
Capital projects	1,850,941	2,129,131	7,127,214	458,448
Total	$ 43,291,941	35,834,075	34,122,377	28,357,461

See accompanying independent auditor’s report.

2020	2019	2018	2017	2016	2015
15,619,491	14,485,365	14,050,570	13,658,014	13,027,674	12,725,632
543,318	606,351	627,502	690,166	926,595	1,023,421
1,574,586	1,444,268	1,385,206	1,504,695	1,381,665	1,323,595
35,895	103,409	88,742	87,524	96,676	91,437
9,226,423	8,695,232	8,132,345	8,820,774	8,637,330	7,255,314
255,736	190,560	174,854	197,905	122,709	102,606
1,260,023	1,322,241	1,324,020	1,181,791	1,088,179	959,536
340,293	336,780	221,493	170,671	139,867	227,081
1,228,098	736,963	816,624	1,173,665	624,019	618,609
30,083,863	27,921,169	26,821,356	27,485,205	26,044,714	24,327,231
7,604,428	6,963,237	7,001,242	5,984,572	5,878,181	5,678,863
1,932,536	1,920,389	1,933,523	1,793,766	1,679,516	1,828,490
1,327,774	657,061	756,136	931,970	1,025,846	3,278,357
1,623,357	1,555,204	1,451,139	1,454,334	1,410,311	1,369,270
7,879,945	10,780,033	10,779,984	7,274,732	7,442,248	6,412,667
1,313,016	1,268,255	1,212,296	1,399,588	1,487,312	1,074,056
3,332,667	3,131,813	3,314,486	2,697,668	2,668,452	2,870,280
270,516	129,698	203,000	720,572	85,392	6,564
1,390,213	1,591,593	1,854,229	1,714,585	1,643,933	1,959,181
1,686,356	1,160,242	799,873	1,540,723	670,308	1,615,469
28,360,808	29,157,525	29,305,908	25,512,510	23,991,499	26,093,197

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834

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 Jasper 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 Jasper County, Iowa, as of and for the year ended June 30, 2024, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 7, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jasper 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 Jasper County's internal control. Accordingly, we do not express an opinion on the effectiveness of Jasper 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 2024-001 through 2024-003 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 deficiency described in the accompanying Schedule of Findings as item 2024-004 to be significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jasper 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 noncompliance or other matters which are described in the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2024 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Jasper County's Responses to Findings

Government Auditing Standards require the auditor to perform limited procedures on Jasper County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings. Jasper 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 Jasper 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.

Brian R. Brustkern, CPA
Deputy Auditor of State

January 7, 2025

Jasper County

Schedule of Findings

Year ended June 30, 2024

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

2024-001 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:

		Applicable Offices
(1)	All incoming mail is opened by an employee who is also authorized to make entries to the accounting records.	Treasurer, Sheriff (Civil), Recorder, Community Development, Conservation, General Assistance and Elderly Nutrition
(2)	Generally, one individual may have control over collecting, depositing, posting, maintaining receivable records and daily reconciling of receipts for which no compensating controls exist. In offices with an independent mail opener, that person does not compare an initial listing of receipts to the accounting records.	Treasurer, Sheriff (Civil and Jail), Engineer, Recorder, General Assistance, Health, Community Development, Conservation, Elderly Nutrition, Emergency Management and 911
(3)	Bank accounts were not reconciled by an individual who does not sign checks, handle or record cash. Bank reconciliations were not reviewed periodically by an independent person for propriety.	Treasurer, Sheriff (Civil and Jail), Recorder and Elderly Nutrition
(4)	The person who signs checks is not independent of the person preparing the checks, approving disbursements and recording cash disbursements.	Recorder
(5)	Investments are not periodically inspected or reconciled to investment records by an independent person and an independent verification of interest earnings is not performed.	Treasurer

(6)	Daily cash reconciliations prepared in the Recorder's Office are not reviewed and approved by an independent person for propriety.	Recorder
(7)	All individuals in tax, motor vehicle and driver's license have the ability to void receipts in Eden/Arts (DOT system), including individuals who perform daily balancing.	Treasurer
	All individuals in the County Recorder's Office have the ability to void receipts, including individuals who perform daily balancing. The Recorder's Office does maintain a voided receipts report, but it is not reviewed by an independent person.	Recorder

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

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

Recommendation – Each official should review the control activities of their office to obtain the maximum internal control possible under the circumstances. The official 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. Such reviews should be performed by independent persons and should be documented by the signature or initials of the reviewer and the date of the review.

Responses –

Treasurer – The Treasurers office will be coordinating with the Auditor's Office in order to have a neutral, third party verify our investments and bank reconciliations from this point forward.

Sheriff –

Civil – After discussion of procedures, we will have the Civil bank statements delivered unopened to the reconciler. Staff will either timestamp the unopened envelope or the reconciler will timestamp the statement upon opening.

Jail – The commissary bank statements are already delivered to the reconciler unopened. The envelope is timestamped in. The Commissary account is not a government bank account. Therefore, it is not permitted to be "free of service charges." We will remove Sheriff Halferty as a check signer on the Jail Commissary Account so he will be an independent reviewer of the bank reconciliation in the future.

Recorder – Due to office size, it is difficult to achieve the recommendations. I will strive to make the suggested changes.

Engineer – One person opens and logs incoming receipts, and another person processes them for delivery to the Treasurer's office. To segregate these duties further, we have the Assistant to the Engineer review the reconciled receivables at the end of each month as well as review the revenue report to ensure all receivables have been coded correctly. Reconciliations are initialed/signed and dated. Further segregation is limited by available staff.

General Assistance – A new employee has been hired and will be trained and integrated into the accounting system, which will allow for segregation of those duties. Prior to this hire, there was only one employee in this department.

Health – We have a department of three people. We divide duties and utilize other departments.

Community Development – The department will have two different individuals crosscheck all receivables. All checks are logged – one person records – another person verified.

Conservation – Segregation of duties is difficult based upon small staff numbers. We do our best to segregate as much as possible.

Elderly Nutrition – Due to staff limitations it is difficult to segregate duties. We will make the best effort possible and explore ways to improve.

Emergency Management – Thanks for understanding the challenges we face with our small team and the need for segregation of duties. We totally get how important it is to have strong internal controls, and we're committed to making the best of our situation. We'll be taking a closer look at our current procedures to see where we can improve, but as you have noted, with the limited number of staff this will be difficult to change in the end.

911 – With the limited staff in the 911 Center, we will continue to look for ways to improve and segregate duties.

Conclusions – Responses acknowledged. All offices should continue to review current operating procedures for the areas noted to obtain the maximum internal control possible. The officials should utilize current personnel to provide additional control through review of financial transactions, reconciliations and reports.

2024-002 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 receivables and capital assets were not properly recorded in the County's financial statements. Also, the incorrect fund type was used for the Special Revenue, Legacy Plaza Economic Development Fund. Adjustments were subsequently made by the County to properly include and classify these amounts in the financial statements.

Cause – County policies do not require, and procedures have not been established to require independent review of year end cut-off transactions and 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.

Recommendation – The County should establish procedures to ensure all accounts receivable and capital assets are identified and properly reported in the County's financial statements. Also, the County should review the standard Chart of Accounts to determine the correct fund types are being utilized.

Response – The County has worked with outside vendors to ensure checks for any sort of reimbursement or insurance payments are sent directly to the Auditor's Office to be deposited into the County system and disbursed from there. We will also watch funds to ensure large special projects are being properly recorded in the appropriate funds. We will review receipts received after the end of the fiscal year and work with departments to ensure any receivables are properly recorded.

Conclusion – Response accepted.

2024-003 Outside Bank Accounts

Criteria – A deficiency in internal controls 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 function, 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 – Various outside offices had bank accounts that were not authorized through the County. There were no controls or procedures in effect to monitor the activity in these bank accounts and the activity in these accounts were not included in the County's accounting system.

Cause – Policies and procedures were not adequate to prevent, detect or correct these funds from not being included in the County's accounting system.

Effect – Lack of procedures resulted in the County not recording the activity in these bank accounts into the County's accounting system.

Recommendation – The County should establish procedures to ensure all funds given to the County through outside offices, are deposited with the County Treasurer's Office to be used for County purposes. All outside bank accounts should have an independent bank reconciler review and approve all bank statements and have signature or initials indicating that review.

Response – We have implemented some internal changes to outside bank accounts. Offices with separate bank accounts are no longer able to write checks off those accounts. Everything must be done via ACH to the Treasurer's Office. They are also required to turn in monthly bank statements and reports so we can reconcile those accounts.

Conclusion – Response accepted.

2024-004 Restrictive Endorsement – Community Development

Criteria – An effective internal control system provides for internal controls related to ensuring safety of County assets. Lack of restrictive endorsement can result in an opportunity for misappropriation.

Condition – Restrictive endorsements were not placed on checks immediately upon receipt.

Cause – Policies and procedures have not been established to require restrictive endorsements on checks upon receipt in the department.

Effect – Lack of policies and procedures resulting in restrictive endorsement not being placed upon receipt of checks could result in misappropriation of receipts.

Recommendation – Restrictive endorsements should be placed on all checks immediately upon receipt.

Response – All checks will be stamped "for deposit only" immediately upon receipt.

Conclusion – Response accepted.

INSTANCES OF NONCOMPLIANCE:

No Matters were noted.

Other Findings Related to Required Statutory Reporting:

2024-A Certified Budget – Disbursements during the year ended June 30, 2024 exceeded the amount budgeted in the county environment and education, roads and transportation non-program and debt service functions. Also, prior to the budget amendment, disbursements exceeded the amounts budgeted in the roads and transportation, debt service and capital project functions and the amount appropriated in four departments.

Recommendation – The budget should have been amended as required by Chapter 331.435 of the Code of Iowa before disbursements were allowed to exceed the budget.

Chapter 331.434(6) of the Code of Iowa authorizes the Board of Supervisors, by resolution, to increase or decrease appropriations of one office or department by increasing or decreasing the appropriation of another office or department as long as the function budget is not increased. Such increases or decreases should be made before disbursements are allowed to exceed the appropriation.

Response – We are going to start doing amendments more often to clean up accounts. Our plan is to do a clean up in November/December before we enter budget hearings for the new fiscal year. We will also do a clean up amendment in May/June before we roll years.

Conclusion – Response accepted.

2024-B Questionable Expenditures – In accordance with Article III, Section 31 of the Iowa Constitution and an Attorney General's opinion dated April 25, 1979, public funds may only be spent for public benefit. No expenditures were noted which we believe may not meet the requirements of public purpose as defined in the Attorney General's opinion.

2024-C Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

2024-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
Doug Cupples, Board of Supervisors, Owner of DC Sports, Inc	Maintenance apparel/ printing on uniforms	$ 2,846

In accordance with Chapter 331.342(2)(j) of the Code of Iowa, the transactions with DC Sports, Inc do not appear to represent a conflict of interest since the total transactions did not exceed $6,000 during the fiscal year.

2024-E Restricted Donor Activity – No transactions were noted between the County, County officials or County employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

2024-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.

2024-G Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

2024-H Deposits and Investments – No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.

2024-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).

2024-J Tax Increment Financing (TIF) – Payments from the Special Revenue, Tax Increment Financing (TIF) Fund properly included only payments for TIF loans and rebates. Also, Jasper County properly completed the Tax Increment Debt Forms 1, 2 or 3, as appropriate, to certify TIF obligations (debt), to decertify TIF debt or to request a reduced distribution of TIF.

2024-K Annual Urban Renewal Report (AURR) – The Annual Urban Renewal Report was properly certified to the Iowa Department of Management on or before December 1. However, the report was not approved by the Board of Supervisors on or before December 1 as required by Chapter 331.403(3)(a) of the Code of Iowa. The AURR was certified to the Iowa Department of Management on November 29, 2023, however it was not approved by the Board of Supervisors until December 5, 2023. Also, the Levy Authority Summary included revenues, expenditures and ending cash balances that did not reconcile to the County's records.

Recommendation – The County should ensure Annual Urban Renewal report is approved timely and that the amounts reported on the Levy Authority Summary agree with the County's records.

Response – The Annual Urban Renewal report will be properly approved before December 1st every year in the Board of Supervisors meeting. We will also have it submitted to the Department of Management prior to December 1st. We will carefully look at all figures being reported and make sure they are matching the County system.

Conclusion – Response accepted.

2024-L Reinvestment District – In February 2023, the County entered into a reinvestment development agreement with Christensen Development 1, LLC and the City of Newton to develop the old Maytag buildings into apartments and a hotel. The development agreement states, "such grant shall be disbursed in monthly installments equal to 75% of the actual costs incurred by Developer to construct the Apartment Improvements as verified through a construction draw process to be reviewed by a third-party reviewer."

From a review of the support for the expenditures, it appears that the Developer would email the County Auditor's office and ask for a dollar amount to be reimbursed to the Developer. No invoices or other supporting documentation other than the email requesting funds was available for support for the payments. Also, no review by a third-party reviewer appeared to be performed. Additionally, no calculation of reimbursing only 75% of submitted actual costs was performed.

Recommendation – The County should ensure that the Developer had expenditures for the amount of grant funds the County reimbursed the Developer. The County should follow the reinvestment development agreement and any concerns should be addressed to the County Attorney to resolve.

Response – We are going to reach out to Christensen Development to acquire the expenditures for the Legacy Plaza project.

Conclusion – Response accepted.

2024-M Community Development – During the course of our audit County officials provided the following information regarding the misuse of funds from an unauthorized bank account held by Community Development.

- Community Development had opened an unauthorized bank account to collect permits fees and other charges for services provided.
- The office coordinator was to prepare checks and have them signed by the Director.
- It was discovered the office coordinator had been writing checks to herself.
- The County Sheriff's office undertook the investigation and identified the office coordinator had written checks to herself and deposited the funds in her personal bank account. During the period August 2023 through June 2024, she issued herself checks totaling $17,208.41.
- The investigation also identified the checks appeared to be signed by the Director, however, the Director stated that it was not their signature.

As a result of the Sheriff's investigation, the office coordinator was charged with one count of first-degree theft and one count of forgery.

Recommendation – As stated in finding 2024-002, the County should develop policies and procedures for establishing bank accounts. These procedures should include a detailed listing of deposits and expenditures be provide to the County Auditor and officials each month. A monthly bank reconciliation should also be performed and reviewed by someone independent of making and issuing checks.

Response – We have changed our procedures going forward for all departments that have an outside bank account. No checks are allowed to be written from these accounts. The only way to move money is through an authorized ACH that directs to the Treasurer's Office to be deposited into the appropriate account. We require bank statements for each outside account to be turned into the Auditor's Office and we do a monthly audit in the Auditor's Office of those accounts.

Conclusion – Response accepted.

Jasper County

Staff

This audit was performed by:

Brian R. Brustkern, CPA, Deputy
Katherine L. Rupp, CPA, Manager
Stephen J. Hoffman, Senior Auditor II
Noelle M. Johnson, Senior Auditor II
Laurel P. Hoogensen, Senior Auditor
Adam J. Sverak, Senior Auditor
Benjamin L. Albrecht, Staff Auditor
Jon G. Hanson, Staff Auditor