



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Auditor of State

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NEWS RELEASE

Contact: Brian Brustkern
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FOR RELEASE

March 11, 2025

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

FINANCIAL HIGHLIGHTS:

The County's revenues totaled \$22,407,465 for the year ended June 30, 2024, a 10.4% increase over the prior year. Expenses for County operations for the year ended June 30, 2024 totaled \$18,821,612, a 4.2% decrease from the prior year. The increase in revenue is primarily due to an increase in property and other county tax. The decrease in expenditures is primarily due to a decrease in secondary roads maintenance from the prior fiscal year.

AUDIT FINDINGS:

Sand reported four findings related to the receipt and expenditure of taxpayer funds. They are found on pages 80 through 83 of this report. The findings address a lack of segregation of duties and exceeding budget appropriations by department. Sand provided the County with recommendations to address the findings.

Three of the findings discussed above were repeated from the prior year. The County Board of Supervisors, other elected officials and management of the Friends of Jones County Conservation and Nature Center (Friends) have a fiduciary responsibility to provide oversight of the County's and the Friends' 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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JONES COUNTY
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS
JUNE 30, 2024

Jones County



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

Rob Sand
Auditor of State

February 18, 2025

Officials of Jones County
Anamosa, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for Jones 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 Government Auditing Standards.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand". The signature is stylized and cursive.

Rob Sand
Auditor of State

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Jones County

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Joe Oswald	Board of Supervisors	Jan 2025
John Shlarmann	Board of Supervisors	Jan 2025
Jeff Swisher	Board of Supervisors	Jan 2025
Ned Rohwedder	Board of Supervisors	Jan 2027
Jon C. Zirkelbach	Board of Supervisors	Jan 2027
Whitney Hein	County Auditor	Jan 2025
Amy L. Picray	County Treasurer	Jan 2027
Sheri L. Jones	County Recorder	Jan 2027
Greg A. Graver	County Sheriff	Jan 2025
Kristofer Lyons	County Attorney	Jan 2027
Sarah Benter	County Assessor	Jan 2028

Jones County



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STATE OF IOWA**

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Independent Auditor's Report

To the Officials of Jones 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 Jones 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 Jones County as of June 30, 2024 and the respective changes in financial position 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 Jones 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 Jones 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 the Jones 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 Jones 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 16 and 54 through 66 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 Jones 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 February 18, 2025 on our consideration of Jones 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 Jones County’s internal control over financial reporting and compliance.



Brian R. Brustkern, CPA
Deputy Auditor of State

February 18, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Jones 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 10.4%, or approximately \$2,108,000, during fiscal year 2024. Property tax revenues increased approximately \$1,304,000. Roads and transportation – operating grants, contributions and restricted interest increased approximately \$475,000 and unrestricted investment earnings increased \$289,000.
- Program expenses of the County's governmental activities decreased 4.2%, or approximately \$832,000, from fiscal year 2023 to fiscal year 2024. Roads and transportation decreased approximately \$1,635,000 and administration increased by 22.36%, or approximately \$575,000.
- The County's net position increased 6.75%, or approximately \$3,586,000, 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 Jones 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 Jones 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 Jones 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 and non-program activities. Property tax and state and federal grants finance most of these activities.

Fund Financial Statements

The County has two 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, and 3) the Capital Projects Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

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

- 2) 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 which account for Emergency Management, 911 and the County Assessor, to name a few.

The required financial statement for fiduciary funds is 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		
	June 30,	
	2024	2023
Current and other assets	\$ 28,236,101	26,295,267
Capital assets	44,298,302	43,676,536
Total assets	72,534,403	69,971,803
Deferred outflows of resources	1,884,184	1,037,811
Long-term liabilities	3,579,115	2,729,422
Other liabilities	2,889,193	4,232,651
Total liabilities	6,468,308	6,962,073
Deferred inflows of resources	11,215,508	10,898,623
Net position:		
Net investment in capital assets	44,234,452	43,676,536
Restricted	9,647,798	7,848,264
Unrestricted	2,852,521	1,624,118
Total net position	\$ 56,734,771	53,148,918

Jones County’s combined net position of governmental activities increased 6.75% (approximately \$56.7 million compared to approximately \$53.1 million).

The largest portion of the County’s net position is invested in capital assets (e.g., land, infrastructure, intangibles, 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 by 1.28%, or approximately \$558,000 over the prior year.

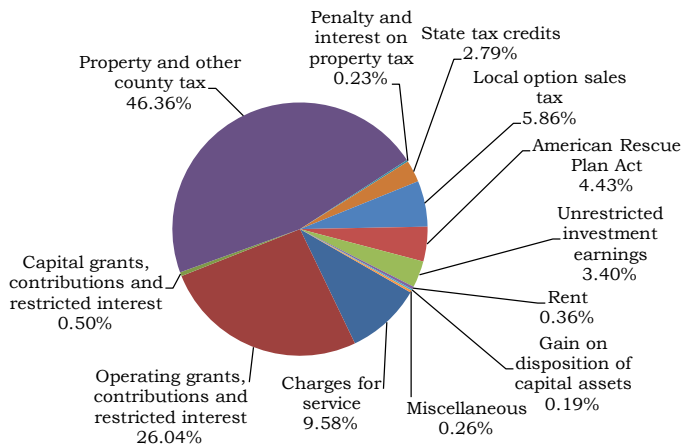
Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position category increased approximately \$1,800,000, or 22.9% from the prior year. This increase is primarily due to an increase in the amounts held at year end in the General and Secondary Roads Funds.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased from approximately \$1,624,000 at June 30, 2023 to a balance of approximately \$2,853,000 at the end of this year, an increase of 75.6%. This increase is primarily due to an increase in the general fund as well as a decrease in pension related deferred inflows and an increase in pension related deferred outflows.

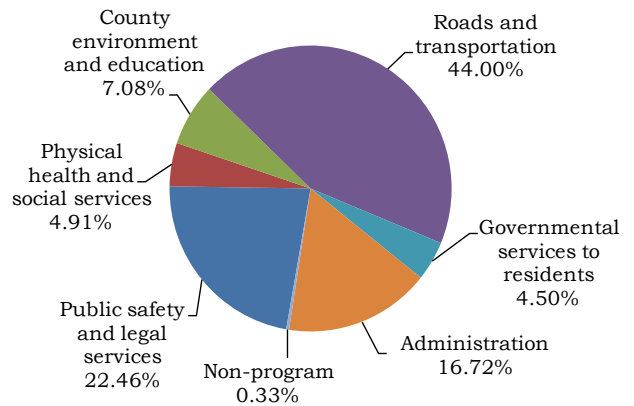
Changes in Net Position of Governmental Activities

	Year ended June 30,	
	2024	2023
Revenues:		
Program revenues:		
Charges for service	\$ 2,145,728	2,190,070
Operating grants, contributions and restricted interest	5,834,069	5,237,369
Capital grants, contributions and restricted interest	111,764	389,147
General revenues:		
Property and other county tax	10,392,179	9,088,438
Penalty and interest on property tax	51,427	51,530
State tax credits	625,244	599,897
Local option sales tax	1,313,169	1,303,432
American Rescue Plan Act	992,581	808,382
Unrestricted investment earnings	760,813	471,485
Rent	81,310	85,817
Gain on disposition of capital assets	41,980	61,760
Miscellaneous	57,201	12,048
Total revenues	22,407,465	20,299,375
Program expenses:		
Public safety and legal services	4,227,183	4,148,959
Physical health and social services	923,248	875,672
County environment and education	1,332,399	1,211,117
Roads and transportation	8,280,948	9,915,719
Governmental services to residents	847,808	817,489
Administration	3,147,099	2,572,101
Non-program	62,927	112,058
Total expenses	18,821,612	19,653,115
Net position beginning of year	53,148,918	52,502,658
Net position end of year	\$ 56,734,771	53,148,918

Revenues by Source



Expenses by Program



Jones County's governmental activities net position increased approximately \$3,586,000 during the year. Revenues for governmental activities increased approximately \$2,108,000. The increase is primarily due to an increase in property and other county tax of \$1,304,000. Expenses decreased approximately \$832,000. The decrease is primarily due to a decrease in secondary roads maintenance.

The County increased property tax rates for fiscal year 2024 an average of 11.1%. The County's property tax revenue increased approximately \$1,304,000 in fiscal year 2024 as a result of increasing the County wide levy rate. Based on increases in the total assessed valuation, property tax revenue is budgeted to increase an additional \$607,000 next year.

The cost of all governmental activities this year was approximately \$18.8 million compared to approximately \$19.7 million last year. However, as shown in the Statement of Activities on page 21, the amount taxpayers ultimately financed for these activities was approximately \$10.7 million because some of the cost was paid by those who directly benefited from the programs (approximately \$2.1 million) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately \$5.9 million). Overall, the County's governmental program revenues, including intergovernmental aid and charges for service, remained stable at approximately \$8,092,000.

INDIVIDUAL MAJOR FUND ANALYSIS

As Jones County completed the year, its governmental funds reported a combined fund balance of approximately \$13.8 million, an increase of approximately \$2.5 million over last year's total of approximately \$11.3 million. The following are the primary reasons for the changes in fund balances of the major funds from the prior year.

The General Fund, the operating fund for Jones County, ended fiscal year 2024 with a fund balance of \$6,061,645. This is an increase of \$878,563 from June 30, 2023. Revenues increased by about \$941,000, or 8.1% over fiscal year 2023 including an increase in property and other county tax of about \$733,000 and use of money and property of about \$273,000 due to higher interest rates and higher amounts invested. Expenditures increased by about \$522,000 or 4.8%. The most significant expenditure changes were in administration primarily due to higher American Rescue Plan spending in the current fiscal year.

The Special Revenue, Rural Services Fund ended fiscal year 2024 with a balance of \$672,275, or \$82,880 more than the June 30, 2023 balance of \$589,395. Property and other county tax increased \$167,000, or 6.6%, due to an increase in taxable valuation and an increase in the levy rate. The transfer to the Secondary Roads Fund to support road maintenance and road projects increased from \$2,600,000 to \$2,648,000.

The Special Revenue, Secondary Roads Fund ended fiscal year 2024 with a balance of \$5,981,983, an increase of \$1,004,305 from the June 30, 2023 balance of \$4,977,678. Of the ending balance, \$1,938,206 is unspent local option sales tax for future road and bridge projects, per voter approval in 1999, and \$384,462 is the value of materials held in inventory and prepaid expenditures at June 30, 2024. The restricted fund balance within the Secondary Roads Fund reflects a positive balance of \$5,597,521 on a GAAP basis, 22.2% higher than the June 30, 2023 balance of \$4,580,106. Expenditures decreased \$1,785,619, or 18.9%. The County increased its spending for its locally funded road construction activities in fiscal year 2024 by 90.8% (\$979,270 compared to \$513,061 in fiscal year 2023), primarily due to construction schedules. Revenues for the Secondary Roads Fund for fiscal year 2024 reflect an increase from fiscal year 2023 of \$119,104. In fiscal year 2023, a transfer was made from the Special Revenue, Rural Services Fund in the amount of \$2,648,000, and a transfer was made from the General Fund in the amount of \$208,000, bringing the total funds transferred to the Secondary Roads Fund to \$2,856,000.

The Capital Projects Fund ended fiscal year 2024 with a fund balance of \$322,514. The balance represented funds reserved for various projects not yet completed. Capital projects expenditures incurred in the year were funded by permanent and temporary transfers from other funds into the Capital Projects Fund.

Nearly all of the County's conservation recreational area improvements and property acquisitions were reimbursed with grants and donations.

BUDGETARY HIGHLIGHTS

Over the course of fiscal year 2024, Jones County amended its budget three times.

The first amendment was made on December 12, 2023 primarily to increase expenditures for County Environment and Education, Public Safety, Roads and Transportation, and Administration. This amendment was needed to accommodate for a new Children's Navigator position within the Community Services Department, bus software upgrade for JETS department, community and child welfare improvement project, vehicle purchase and response boat upgrades.

The second amendment was made on April 2, 2024 primarily to show an increase of \$473,598 in revenues due to receiving more interest due to higher interest rates. The expenditures were reduced by \$765,014. The secondary roads department had a decrease of \$1,000,000 due to a project being delayed and ARPA fund spending authority is being increased by \$250,000.

The third amendment was made on May 21, 2024 primarily to show an increase in expenditures of \$41,613. The amendment is for an increase in Juvenile Detention expenses, Sheriff's DARE fund, purchase of Courthouse postage meter, purchase of Conservation kayak trailer and to increase spending authority for the Public Health Department to expend grant funds.

The following should be noted when comparing the County's cash basis final amended budget to the cash basis operating statement:

The County's actual receipts were approximately \$1,015,000 more than the final amended budget, a variance of 5.1%. The May 2023 amendment allowed the County to minimize significant variances in budgeted to actual revenues.

Total disbursements were approximately \$3,050,000 less than the final amended budget, a 13.2% variance. Actual disbursements for the public safety and legal services, county environment and education, and governmental services to residents were all within 10% of the final amended budget. Disbursements for the physical health and social services function were \$152,533, or 14.0%, below budget, primarily due to the public health going from two full time staff members down to one full time staff member. Disbursements for the roads and transportation function were approximately \$1,091,000, or 12.5%, below budget, primarily due to fewer projects and man hours worked in the current fiscal year. Disbursements for the administration function were approximately \$582,000, or 13.8%, below budget primarily due to not expending as much ARPA funds as anticipated due to the timing of a land purchase for the future public safety storage/ training facility. Disbursements in the non-program function were \$46,360, or 44.3% below budget, primarily due to not expending as much of the Federal Comprehensive Opioid Abuse Program grant as anticipated. Disbursements in the capital project function were approximately \$508,000, or 33.9%, below budget, primarily due to minimal funds being spent from the capital project fund and due to a road project crossing fiscal years resulting in not as many funds being spent in FY24.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, Jones County had \$44,298,302 invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This is a net increase (including additions and deletions) of \$621,766, or 1.42%, over last year, primarily due to an increase in infrastructure and equipment in fiscal year 2024.

Capital Assets of Governmental Activities at Year End		
	June 30,	
	2024	2023
Land	\$ 6,860,374	6,485,274
Intangibles, road network	1,372,549	1,056,149
Construction/intangibles in progress	891,588	896,575
Buildings	2,606,424	2,666,637
Improvements other than buildings	48,264	60,331
Equipment and vehicles	5,188,676	5,104,082
Right-to-use subscription asset	63,485	-
Intangibles, other	60,000	60,000
Infrastructure	27,206,942	27,347,488
Total	<u>\$ 44,298,302</u>	<u>43,676,536</u>
This year's major additions included:		
2024 Mack GR64F Truck #74	\$	314,601
Anamosa Commercial Park property		375,100
HPE Alletra 6010 San Storage Units		179,000
Maintenance Service Pit M-1723		<u>80,768</u>
Total	<u>\$</u>	<u>949,469</u>

The County had depreciation/amortization expense of \$2,008,769 in fiscal year 2024 and total accumulated depreciation/amortization of \$21,172,193 at June 30, 2024.

More detailed information about the County’s capital assets is presented in Note 4 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

Jones County’s elected and appointed officials considered many factors when setting the fiscal year 2025 budget, tax rates, and the fees charged for various County activities. One of those factors is the economy. Unemployment in the County now stands at 3.4% versus 3.2% a year ago. This compares with the State’s unemployment rate of 2.8% and the national rate of 4.1%. The primary factors considered were the increase in taxable valuations, funds needed to maintain existing programs and services and adding a full time Court Security Officer position.

Jones County’s total taxable valuation for the fiscal year 2025 budget increased by 5.29%. By class of property, the County’s agricultural valuation increased 4.72%, residential valuation rose 6.47%, commercial valuation reflects a 12.20% increase and industrial valuation reflects a 26.72% increase. The large increase in commercial and industrial values is due to FY25 being an equalization year meaning that property assessments must be changed to reflect current real estate prices. Jones County’s agricultural land values continue to comprise 31% of Jones County’s taxable valuation, while residential values continue to comprise 43% of the total.

The fiscal year 2025 General Fund budget reflects a tax increase of \$481,831 and is projected to produce an unrestricted fund balance on June 30, 2025 of 40.35% of total general operating disbursements (total General Fund balance of 40.69% of total disbursements). The tax increase of \$481,831 was generated by decreasing the General Basic levy rate by .08137/1,000 and increasing the General Supplemental tax levy rate by .14307/1,000 when compared to fiscal year 2024, to the increased valuation. The total General Fund fiscal year 2025 budgeted disbursements (including transfers out) are \$1,192,771 more than the original 2024 fiscal year budget. The General Fund fiscal year 2025 budget reflects a 4.94% decrease in employee wages and benefits, primarily due to a Sheriff Deputy position being moved into the Rural Services Fund with overall disbursements projected to increase by 9.53%, primarily due to more ARPA fund expenditures being planned for FY25. The collective bargaining agreement covering wages to be paid in fiscal year 2025 calls for a 4.5% wage increase for employees in the bargaining unit except for Deputy Sheriffs in which the agreement calls for a 5.75% increase. A 4.75% wage increase rate was granted to most non-union employees. The Board reduced the salary increases recommended by the Compensation Board for the elected Attorney, Auditor, Recorder, Sheriff, Treasurer, by 32.14% and by 71.43% for their own salaries. Budgeted non-tax General Fund receipts are projected to increase by 6.74% (\$721,068) in the fiscal 2025 budget. This is primarily due to the increase in taxes, interest on investments, and credit and replacement revenue.

The fiscal year 2025 Special Revenue, Emergency Medical Services Trust Fund (Iowa Code Chapter 422D) was started in FY24 per the passing of a .35000/1000 levy rate by the voters of Jones County. The projected tax-based revenue for fiscal year 2025 is \$454,577. The projected fiscal year 2025 expenditures are \$430,000. These funds are remitted to emergency medical services in Jones County on a reimbursement basis. These services may choose to stockpile these funds at the County to save for a larger purchase such as an ambulance or new facility.

The budget for the Special Revenue, Rural Services Fund for fiscal year 2025 reflects a tax increase of \$99,927. The tax increase represents the Board's desire to increase the amount transferred to the Secondary Road fund and to support the transfer of personnel expenditures from the General Fund for the Sheriff Department. The tax levy rate did decrease by .06170/1,000 when compared for fiscal 2024. The transfer to the Secondary Road Fund increased \$151,000 in the fiscal year 2025 budget to help fund Secondary Road expenditures.

The Special Revenue, Secondary Roads Fund budget for fiscal year 2025 reflects a decrease of \$400,000 in road maintenance disbursements to \$7,600,000, and a \$850,000 decrease in the roadway construction budget from the originally budgeted fiscal year 2024 level of \$2,450,000 down to \$1,600,000 in fiscal year 2025. The County decreased the amount of funds spent on locally funded construction projects from the budgeted fiscal year 2024 budget, primarily due to a planned decrease in construction projects. The County continues to budget to replace outdated and worn equipment and update secondary road facilities. This will result in the projected balance in the fund at the end of the fiscal year to decrease \$1,019,000 from the projected fiscal year beginning fund balance.

Budgeted expenditures continue to outpace projected revenues in the Secondary Road fund. The actual ending fund balance is historically considerably higher than initially projected. Design and construction schedules, as well as a re-evaluation of funding sources and projected fund balances, are always considered prior to proceeding with certain road and bridge projects and equipment purchases.

In fiscal year 2025, the Board of Supervisors did not use the debt service levy.

The overall fiscal year 2025 budget reflects a .06170 cent increase in the countywide levy rate with .35000 of that being the voted Emergency Medical Services Trust Fund levy, increases the general supplemental levy rate by .14307 cents, and decreases both the general basic and rural services rates. The adopted budget generates a 5.6% increase (\$604,600) in total tax dollars to be levied to support the County budget.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Jones 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 Jones County Auditor's Office, 500 W. Main Street, Anamosa, Iowa 52205.

Basic Financial Statements

Exhibit A

Jones County
Statement of Net Position
June 30, 2024

	<u>Governmental Activities</u>
Assets	
Cash and pooled investments	\$ 15,504,899
Receivables:	
Property tax:	
Delinquent	13,683
Succeeding year	10,964,000
Interest and penalty on property tax	34,495
Accounts	48,389
Opioid settlement	394,251
Accrued interest	9,591
Special assessments	6,745
Due from other governments	764,106
Inventories	384,462
Prepaid expense	111,480
Capital assets not being depreciated/amortized	9,124,511
Capital assets, net of accumulated depreciation/amortization	<u>35,173,791</u>
Total assets	<u>72,534,403</u>
Deferred Outflows of Resources	
Pension related deferred outflows	1,834,397
OPEB related deferred outflows	<u>49,787</u>
Total deferred outflows of resources	<u>1,884,184</u>

Jones County
Statement of Net Position
June 30, 2024

	Governmental Activities
Liabilities	
Accounts payable	357,460
Salaries and benefits payable	297,309
Due to other governments	18,345
Unearned revenue	2,216,079
Long-term liabilities:	
Portion due or payable within one year:	
IT Subscription liability	21,260
Compensated absences	297,344
Total OPEB liability	12,738
Portion due or payable after one year:	
IT Subscription liability	42,590
Compensated absences	330,371
Net pension liability	2,692,319
Total OPEB liability	182,493
Total liabilities	6,468,308
Deferred Inflows of Resources	
Unavailable property tax revenue	10,964,000
Pension related deferred inflows	182,630
OPEB related deferred inflows	68,878
Total deferred inflows of resources	11,215,508
Net Position	
Net investment in capital assets	44,234,452
Restricted for:	
Supplemental levy purposes	1,423,451
Rural services purposes	673,786
Secondary roads purposes	5,718,181
Capital projects	487,362
Opioid abatement	534,276
Other purposes	810,742
Unrestricted	2,852,521
Total net position	\$ 56,734,771

See notes to financial statements.

Jones County

Jones County
Statement of Activities
Year ended June 30, 2024

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
Functions/Programs:					
Governmental activities:					
Public safety and legal services	\$ 4,227,183	326,765	27,673	-	(3,872,745)
Physical health and social services	923,248	158,565	545,335	-	(219,348)
County environment and education	1,332,399	163,801	94,158	21,239	(1,053,201)
Roads and transportation	8,280,948	444,607	5,099,309	90,525	(2,646,507)
Governmental services to residents	847,808	500,609	792	-	(346,407)
Administration	3,147,099	546,757	8,511	-	(2,591,831)
Non-program	62,927	4,624	58,291	-	(12)
Total	\$ 18,821,612	2,145,728	5,834,069	111,764	(10,730,051)
General Revenues:					
Property and other county tax levied for general purposes					10,392,179
Penalty and interest on property tax					51,427
State tax credits and replacements					625,244
Local option sales tax					1,313,169
American Rescue Plan Act					992,581
Unrestricted investment earnings					760,813
Rent					81,310
Gain on disposition of capital assets					41,980
Miscellaneous					57,201
Total general revenues					14,315,904
Change in net position					3,585,853
Net position beginning of year					53,148,918
Net position end of year					\$ 56,734,771

See notes to financial statements.

Jones County
Balance Sheet
Governmental Funds

June 30, 2024

	Special Revenue		
	General	Rural Services	Secondary Roads
Assets			
Cash and pooled investments	\$ 8,329,320	650,833	5,422,658
Receivables:			
Property tax:			
Delinquent	11,201	2,123	-
Succeeding year	7,759,000	2,768,000	-
Interest and penalty on property tax	34,495	-	-
Accounts	35,722	-	12,667
Opioid settlement	-	-	-
Accrued interest	9,591	-	-
Special assessments	6,745	-	-
Due from other governments	272,846	27,456	463,804
Inventories	-	-	384,462
Prepaid expenditures	111,480	-	-
Total assets	\$ 16,570,400	3,448,412	6,283,591
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	141,230	276	214,968
Salaries and benefits payable	205,324	5,738	86,247
Due to other governments	17,952	-	393
Unearned revenue	2,216,079	-	-
Total liabilities	2,580,585	6,014	301,608
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	7,759,000	2,768,000	-
Other	169,170	2,123	-
Total deferred inflows of resources	7,928,170	2,770,123	-
Fund balances:			
Nonspendable:			
Inventories and prepaid expenditures	111,480	-	384,462
Restricted for:			
Supplemental levy purposes	1,436,729	-	-
Rural services purposes	-	672,275	-
Secondary roads purposes	-	-	5,597,521
Conservation land acquisition/capital improvements	568,399	-	-
Capital projects	-	-	-
Opioid abatement	-	-	-
Other purposes	172,179	-	-
Committed for:			
County facility capital projects/purposes	55,000	-	-
Voting equipment replacement	140,000	-	-
Aerial tax mapping update project	38,425	-	-
Conservation improvements	151,660	-	-
Unassigned	3,387,773	-	-
Total fund balances	6,061,645	672,275	5,981,983
Total liabilities, deferred inflows of resources and fund balances	\$ 16,570,400	3,448,412	6,283,591

See notes to financial statements.

Capital Projects	Nonmajor	Total
322,514	779,574	15,504,899
-	359	13,683
-	437,000	10,964,000
-	-	34,495
-	-	48,389
-	394,251	394,251
-	-	9,591
-	-	6,745
-	-	764,106
-	-	384,462
-	-	111,480
<u>322,514</u>	<u>1,611,184</u>	<u>28,236,101</u>
-	986	357,460
-	-	297,309
-	-	18,345
-	-	2,216,079
-	986	2,889,193
-	437,000	10,964,000
-	384,219	555,512
-	821,219	11,519,512
-	-	495,942
-	-	1,436,729
-	-	672,275
-	-	5,597,521
-	-	568,399
322,514	-	322,514
-	150,416	150,416
-	638,563	810,742
-	-	55,000
-	-	140,000
-	-	38,425
-	-	151,660
-	-	3,387,773
<u>322,514</u>	<u>788,979</u>	<u>13,827,396</u>
<u>322,514</u>	<u>1,611,184</u>	<u>28,236,101</u>

Jones County

Jones County

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

June 30, 2024

Total governmental fund balances (page 23) \$ 13,827,396

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 reposted in the governmental funds. The cost of assets is \$65,470,495 and the accumulated depreciation/amortization is \$21,172,193. 44,298,302

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. 555,512

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	\$ 1,884,184	
Deferred inflows of resources	<u>(251,508)</u>	1,632,676

Long-term liabilities, including IT subscription liability, compensated absences payable, net pension liability and total OPEB liability are not due and payable in the current year and, therefore, are not reported in the governmental funds. (3,579,115)

Net position of governmental activities (page 19) \$ 56,734,771

See notes to financial statements.

Jones County

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

Year ended June 30, 2024

	Special Revenue		
	General	Rural Services	Secondary Roads
Revenues:			
Property and other county tax	\$ 7,309,307	2,675,353	-
Local option sales tax	2,201	328,292	984,877
Interest and penalty on property tax	51,044	-	-
Intergovernmental	3,163,606	134,092	4,631,870
Licenses and permits	71,126	-	29,765
Charges for service	735,286	12,385	200
Use of money and property	841,620	2	-
Miscellaneous	333,370	-	145,150
Total revenues	12,507,560	3,150,124	5,791,862
Expenditures:			
Operating:			
Public safety and legal services	4,231,750	158,334	-
Physical health and social services	931,588	-	-
County environment and education	1,119,072	252,083	-
Roads and transportation	558,443	-	6,670,787
Governmental services to residents	849,467	8,802	-
Administration	3,698,350	25	-
Non-program	62,097	-	-
Capital projects	-	-	979,270
Total expenditures	11,450,767	419,244	7,650,057
Excess (deficiency) of revenues over (under) expenditures	1,056,793	2,730,880	(1,858,195)
Other financing sources (uses):			
Sale of capital assets	9,765	-	6,500
Transfers in	12,388	-	2,856,000
Transfers out	(268,000)	(2,648,000)	-
Right-to-use subscription asset agreement proceeds	67,617	-	-
Total other financing sources (uses)	(178,230)	(2,648,000)	2,862,500
Change in fund balances	878,563	82,880	1,004,305
Fund balances beginning of year	5,183,082	589,395	4,977,678
Fund balances end of year	\$ 6,061,645	672,275	5,981,983

See notes to financial statements.

Capital Projects	Nonmajor	Total
-	415,581	10,400,241
-	-	1,315,370
-	-	51,044
-	39,300	7,968,868
-	-	100,891
-	2,910	750,781
-	781	842,403
-	109,392	587,912
-	567,964	22,017,510
-	52,469	4,442,553
-	-	931,588
-	9,587	1,380,742
-	-	7,229,230
-	1,620	859,889
-	-	3,698,375
-	-	62,097
12,710	-	991,980
12,710	63,676	19,596,454
(12,710)	504,288	2,421,056
-	-	16,265
60,000	-	2,928,388
-	(12,388)	(2,928,388)
-	-	67,617
60,000	(12,388)	83,882
47,290	491,900	2,504,938
275,224	297,079	11,322,458
322,514	788,979	13,827,396

Jones 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) \$ 2,504,938

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	\$ 2,430,413	
Right-to-use subscription asset agreement proceeds	67,617	
Capital assets contributed by the Iowa Department of Transportation	90,525	
Depreciation/amortization expense	<u>(2,008,769)</u>	579,786

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. 41,980

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	5,309	
Other	<u>235,876</u>	241,185

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year issuances exceeded repayments, as follows:

Repaid	3,767	
Issued	<u>(67,617)</u>	(63,850)

The current year County IPERS contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position. 693,343

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	(57,661)	
Pension expense	(348,234)	
OPEB expense	<u>(5,634)</u>	<u>(411,529)</u>

Change in net position of governmental activities (page 21) \$ 3,585,853

See notes to financial statements.

Jones County
Statement of Fiduciary Net Position
Custodial Funds

June 30, 2024

Assets

Cash and pooled investments:	
County Treasurer	\$ 4,223,367
Other County officials	5,850
Receivables:	
Property tax:	
Delinquent	26,210
Succeeding year	27,586,000
Accounts	74,472
Accrued interest	21,897
Special assessments	100,028
Due from other governments	61,433
Total assets	32,099,257

Liabilities

Accounts payable	79,238
Salaries and benefits payable	34,908
Due to other governments	937,240
Trusts payable	5,850
Compensated absences	64,483
Total liabilities	1,121,719

Deferred Inflows of Resources

Unavailable property tax revenue	27,586,000
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Net Position

Restricted for individuals, organizations and other governments	\$ 3,391,538
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See notes to financial statements.

Jones County

Jones County

Statement of Changes in Fiduciary Net Position
Custodial Funds

Year Ended June 30, 2024

Additions:	
Property and other county tax	\$ 26,002,471
911 surcharge	40,989
State tax credits	1,771,759
Office fees and collections	468,072
Auto licenses, use tax and postage	8,076,578
Trusts	1,392,963
Miscellaneous	<u>1,110,360</u>
Total additions	<u>38,889,409</u>
Deductions:	
Agency remittances:	
To other funds	524,686
To other governments	37,522,989
Trusts paid out	<u>586,640</u>
Total deductions	<u>38,634,315</u>
Change in net position	255,094
Net position beginning of year	<u>3,136,444</u>
Net position end of year	<u>\$ 3,391,538</u>
See notes to financial statements.	

Jones County

Notes to Financial Statements

June 30, 2024

(1) Summary of Significant Accounting Policies

Jones 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, Jones 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 Jones 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 Unit – The following component unit is an entity which is legally separate from the County, but is so intertwined with the County it is, in substance, the same as the County. It is reported as part of the County and blended into the appropriate fund.

The Friends of Jones County Conservation and Nature Center has been incorporated under Chapter 504A of the Code of Iowa to assist and support the functions and efforts of Jones County Conservation by helping to raise funds for designated conservation related projects, providing materials for community involvement, serving as an organizational base for volunteers at the Central Park Nature Center, and advising the Jones County Conservation Board on the needs of the community related to programming and infrastructure. The financial transactions of the Friends are reported as a nonmajor special revenue fund.

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: Jones County Assessor's Conference Board, Jones County Emergency Management Commission, Jones County Solid Waste Commission and Jones 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.

The County also participates in the following jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa: Multi-County Cooperative Child Support Agreement, East Central Iowa Employment and Training Consortium, Medical Emergency Response Group, Eastern Iowa Regional Housing Authority, Eastern Iowa Regional Utility Service Systems Commission, Jones County Crime Commission, Jones County Economic Development Commission, Jones County Communications Commission and East Central Iowa Mental Health Region.

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 unit. 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 debt attributable to the acquisition, construction or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation. Net position restricted through enabling legislation consists of the balance of the unusual needs levy for Conservation Department projects.

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 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 roads construction and maintenance.

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

Additionally, the County reports the following fund:

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

C. Measurement Focus and Basis of Accounting

The government-wide 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.

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 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.

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 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.

Due from and Due to Other Funds – During the course of its operations, the County has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2024, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

Capital Assets – Capital assets 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 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
Infrastructure	\$ 50,000
Land, buildings and improvements	25,000
Intangibles	50,000
Road right of way easements	25,000
Equipment and vehicles	5,000
Right-to-use leased assets	50,000
Right-to-use subscription assets	50,000

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, 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	25 - 50
Building improvements	25 - 50
Infrastructure	10 - 65
Intangibles	2 - 65
Equipment	3 - 20
Vehicles	5 - 15
Right-to-use leased assets	2 - 20
Right-to-use subscription assets	5 - 20

Subscription-Based Information Technology Arrangements (SBITA) – Jones County has entered into a contract that conveys control of the right to use information technology software. The County has recognized an IT subscription liability and an intangible right-to-use IT subscription asset in the government-wide financial statements. The County recognized IT subscription liabilities with an initial, individual value of \$50,000 or more.

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

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

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

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

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

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

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

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

Unearned Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Unearned revenue in government-wide and the 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 American Rescue Plan Act unspent grant proceeds.

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 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 financial statements, long-term debt and other long-term obligations are reported as liabilities in the 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 Jones 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 receivable that will not be recognized until the year for which it is levied.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivable that will not be recognized until the year for which it is levied, unrecognized items not yet charged to pension 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.

Committed – Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Supervisors through ordinance or resolution approved prior to year-end. Committed amounts cannot be used for any other purpose unless the Board of Supervisors removes or changes the specified use by taking the same action it employed to commit those amounts.

Unassigned – All amounts not included in the preceding classifications.

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 appropriated in certain departments.

(2) Cash 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 has 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:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General	Special Revenues: Resource Enhancement and Protection	\$ 11,637
	Drug Abuse Resistance Education	751
		<u>12,388</u>
Special Revenue: Secondary Roads	General	208,000
	Special Revenue: Rural Services	2,648,000
		<u>2,856,000</u>
Capital Projects	General	60,000
Total		<u>\$ 2,928,388</u>

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

(4) Capital Assets

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 6,485,274	375,100	-	6,860,374
Intangibles, road network	1,056,149	316,400	-	1,372,549
Construction in progress, road network	4,987	682,325	687,312	-
Construction in progress	891,588	-	-	891,588
Total capital assets not being depreciated/amortized	8,437,998	1,373,825	687,312	9,124,511
Capital assets being depreciated/amortized:				
Buildings	5,084,272	80,768	-	5,165,040
Improvements other than buildings	241,331	-	-	241,331
Equipment and vehicles	13,173,862	1,108,325	218,570	14,063,617
Right-to-use subscription asset	-	67,617	-	67,617
Intangibles	160,907	-	-	160,907
Infrastructure, road network	35,171,800	687,312	-	35,859,112
Infrastructure, other	788,360	-	-	788,360
Total capital assets being depreciated/amortized	54,620,532	1,944,022	218,570	56,345,984
Less accumulated depreciation/amortization for:				
Buildings	2,417,635	140,981	-	2,558,616
Improvements other than buildings	181,000	12,067	-	193,067
Equipment and vehicles	8,069,780	1,023,731	218,570	8,874,941
Right-to-use subscription asset	-	4,132	-	4,132
Intangibles, other	100,907	-	-	100,907
Infrastructure, road network	8,396,503	812,091	-	9,208,594
Infrastructure, other	216,169	15,767	-	231,936
Total accumulated depreciation/amortization	19,381,994	2,008,769	218,570	21,172,193
Total capital assets being depreciated/amortized, net	35,238,538	(64,747)	-	35,173,791
Governmental activities capital assets, net	\$ 43,676,536	1,309,078	687,312	44,298,302

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 122,091
Physical health and social services	4,417
County environment and education	97,121
Roads and transportation	1,617,981
Governmental services to residents	10,180
Administration	156,979
Total depreciation/amortization expense - governmental activities	\$ 2,008,769

(5) 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	\$ 17,952
Special Revenue:		
Secondary Roads	Services and materials	393
Total for governmental funds		<u>\$ 18,345</u>
Custodial:		
Agricultural Extension Education	Collections	\$ 2,619
County Assessor		30
Schools		165,962
Community Colleges		16,021
Corporations		87,400
Townships		2,863
Auto License and Use Tax		588,168
All other		<u>74,177</u>
Total for custodial funds		<u>\$ 937,240</u>

(6) Prepaid Rental Agreement

In September 2023, the County entered into a service agreement with Foxster Opco, LCC for TripMaster Software and service and maintenance. The agreement is for five years.

The County has elected to amortize prepaid expenses of \$79,955 over 5 years. At June 30, 2024 the unamortized prepaid expense balance was \$63,344.

In June 2024, the County entered into a service agreement with Encompass for Meraki service licenses for all switches, firewalls and access points. The agreement is for five years.

The County has elected to amortize the prepaid expenses of \$49,445 over 5 years. At June 30, 2024 the unamortized prepaid expense balance was \$48,136.

(7) Changes in Long-Term Liabilities

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

	IT Subscription Liability	Compensated Absences	Net Pension Liability	Total OPEB Liability	Total
Balance beginning of year	\$ -	570,054	1,915,448	243,920	2,729,422
Increases	67,617	545,270	776,871	17,353	1,407,111
Decreases	3,767	487,609	-	66,042	557,418
Balance end of year	<u>\$ 63,850</u>	<u>627,715</u>	<u>2,692,319</u>	<u>195,231</u>	<u>3,579,115</u>
Due within one year	<u>\$ 21,260</u>	<u>297,344</u>	<u>-</u>	<u>12,738</u>	<u>310,082</u>

(8) Pension Plan

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

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

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

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

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

In fiscal year 2024, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the County contributed 9.44% of covered payroll, for a total rate of 15.73%. The Sheriff, deputies and the County each contributed 8.51% 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% of covered payroll, for a total rate of 15.52%.

The County’s contributions to IPERS for the year ended June 30, 2024 totaled \$693,343.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2024, the County had a liability of \$2,692,319 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, 2024, the County’s proportion was 0.059648%, which was an increase of 0.008950% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024 the County recognized pension expense of \$348,234. 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	\$ 508,312	12,355
Changes of assumptions	-	70,051
Net difference between projected and actual earnings on IPERS' investments	408,174	
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	224,568	100,224
County contributions subsequent to the measurement date	693,343	-
Total	<u>\$ 1,834,397</u>	<u>182,630</u>

\$693,343 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	\$ (22,539)
2026	(228,024)
2027	971,679
2028	198,866
2029	38,442
Total	<u>\$ 958,424</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability 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 dated 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	<u>100%</u>	

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

Sensitivity of the County's Proportionate Share of the Net Pension Liability (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)	\$ 7,160,382	2,692,319	(1,053,125)

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.

(9) Risk Management

The County is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(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 Jones 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	2
Active employees	<u>105</u>
Total	<u>107</u>

Total OPEB Liability – The County's total OPEB liability of \$195,231 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. The total OPEB liability was measured as of July 1, 2023 and was determined by an actuarial valuation as of that date

Actuarial Assumptions – The total June 30, 2024 OPEB liability in the July 1, 2023 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 July 1, 2023)	3.00% per annum.
Rates of salary increase (effective July 1, 2023)	3.00% per annum, including inflation.
Discount rate (effective July 1, 2023)	3.65% compounded annually, including inflation.
Healthcare cost trend rate (effective July 1, 2023)	5.00% annually.

Discount Rate – The discount rate used to measure the total OPEB liability was 3.65% 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 RP-2014 annuitant distinct mortality table adjusted to 2006 with Scale MP-2021. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 243,920
Changes for the year:	
Service cost	10,254
Interest	7,099
Differences between expected and actual experiences	(31,659)
Changes in assumptions	(21,645)
Benefit payments	<u>(12,738)</u>
Net changes	<u>(48,689)</u>
Total OPEB liability end of year	<u>\$ 195,231</u>

Sensitivity of the County’s Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.65%) or 1% higher (4.65%) than the current discount rate.

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	\$ 208,162	195,231	183,360

Sensitivity of the County’s Total OPEB Liability to Changes in the Healthcare Cost Trend Rates
 – The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (4.00%) or 1% higher (6.00%) than the current healthcare cost trend rates.

	1% Decrease (4.00%)	Healthcare Cost Trend Rate (5.00%)	1% Increase (6.00%)
Total OPEB liability	\$ 179,551	195,231	213,034

OPEB Expense and 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 \$5,634. 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	\$ 37,871	49,560
Changes in assumptions	11,916	19,318
Total	\$ 49,787	68,878

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

Year Ending June 30,	Amount
2025	\$ 1,019
2026	1,019
2027	2,973
2028	1,795
2029	(6,272)
Thereafter	(19,625)
	<u>\$ (19,091)</u>

(11) 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. In addition, the County has adopted a deferred compensation matching plan in accordance with Internal Revenue Code Section 401A. The 401A Plan, available to all County employees participating in the 457 Plan, provides for the County to match 100% of the employee contributions to the 457 Plan, up to a maximum of \$50 per month. During the year ended June 30, 2024, the County contributed \$50,750 to the 401A Plan.

All amounts of compensation deferred under the plans, 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 the Nationwide Mutual Insurance Company and do not constitute a liability of the County.

(12) Tax Abatements

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

Tax Abatements of Other Entities

Entities within the County provided tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa. For these types of projects, the entities enter into agreements with developers which require the entities, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount.

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:

<u>Entity</u>	<u>Tax Abatement Program</u>	<u>Amount of Tax Abated</u>
City of Anamosa	Urban renewal and economic development projects	\$ 116,006
City of Monticello	Urban renewal and economic development projects	6,122
City of Wyoming	Urban renewal and economic development projects	2,649

Jones County

Required Supplementary Information

Jones 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	\$ 11,712,946	-	11,712,946
Interest and penalty on property tax	51,628	-	51,628
Intergovernmental	7,051,956	-	7,051,956
Licenses and permits	98,184	-	98,184
Charges for service	750,791	-	750,791
Use of money and property	842,895	-	842,895
Miscellaneous	589,916	7,148	582,768
Total receipts	21,098,316	7,148	21,091,168
Disbursements:			
Public safety and legal services	4,458,089	-	4,458,089
Physical health and social services	937,703	-	937,703
County environment and education	1,408,787	9,587	1,399,200
Roads and transportation	7,621,669	-	7,621,669
Governmental services to residents	860,552	-	860,552
Administration	3,645,760	-	3,645,760
Non-program	58,267	-	58,267
Capital projects	991,980	-	991,980
Total disbursements	19,982,807	9,587	19,973,220
Excess (deficiency) of receipts over (under) disbursements	1,115,509	(2,439)	1,117,948
Other financing sources, net	16,265	-	16,265
Change in balances	1,131,774	(2,439)	1,134,213
Balance beginning of year	14,373,125	26,207	14,346,918
Balance end of year	\$ 15,504,899	23,768	15,481,131

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Actual
		Variance
11,642,407	11,711,112	1,834
29,350	27,000	24,628
6,246,578	6,468,286	583,670
77,014	72,784	25,400
730,775	743,683	7,108
249,804	587,837	255,058
453,408	465,630	117,138
19,429,336	20,076,332	1,014,836
4,855,004	4,923,480	465,391
1,071,560	1,090,236	152,533
1,516,772	1,535,022	135,822
8,585,079	8,712,485	1,090,816
980,607	929,657	69,105
3,838,318	4,227,837	582,077
143,560	104,627	46,360
2,500,000	1,500,000	508,020
23,490,900	23,023,344	3,050,124
(4,061,564)	(2,947,012)	4,064,960
21,800	26,000	(9,735)
(4,039,764)	(2,921,012)	4,055,225
12,410,890	14,343,351	3,567
8,371,126	11,422,339	4,058,792

Jones County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2024

	<u>Governmental Funds</u>		
	<u>Cash</u>	<u>Accrual</u>	<u>Modified</u>
	<u>Basis</u>	<u>Adjustments</u>	<u>Accrual</u>
			<u>Basis</u>
Revenues	\$ 21,098,316	919,194	22,017,510
Expenditures	19,982,807	(386,353)	19,596,454
Net	1,115,509	1,305,547	2,421,056
Other financing sources, net	16,265	67,617	83,882
Beginning fund balances	14,373,125	(3,050,667)	11,322,458
Ending fund balances	<u>\$ 15,504,899</u>	<u>(1,677,503)</u>	<u>13,827,396</u>

See accompanying independent auditor's report.

Jones County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2024

The 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 the blended component unit and Custodial Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon nine major classes of expenditures known as functions, not by fund. These nine functions are: public safety and legal services, physical health and social services, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, three budget amendments decreased budgeted disbursements by \$467,556. The budget amendments are reflected in the final budgeted amounts.

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

During the year ended June 30, 2024, disbursements did not exceed the amounts budgeted by function. However, disbursements in certain departments exceeded the amounts appropriated at year end.

Jones County

Schedule of the County's 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)	0.059648%	0.050698%	0.324484% **	0.059388%
County's proportionate share of the net pension liability (asset)	\$ 2,692	1,915	(1,120)	4,172
County's covered payroll	\$ 7,370	6,184	6,011	5,635
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	36.53%	30.97%	(18.63%)	74.04%
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
0.057322%	0.057892%	0.061877%	0.060335%	0.058300%	0.056897%
3,319	3,664	4,122	3,797	2,880	2,256
5,595	5,384	5,291	5,003	4,827	4,699
59.32%	68.05%	77.91%	75.89%	59.66%	48.01%
85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

-

Jones County

Schedule of County Contributions

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

Required Supplementary Information

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Statutorily required contribution	\$ 693	686	579	566
Contributions in relation to the statutorily required contribution	<u>(693)</u>	<u>(686)</u>	<u>(579)</u>	<u>(566)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 7,483	7,370	6,184	6,011
Contributions as a percentage of covered payroll	9.26%	9.31%	9.36%	9.42%

See accompanying independent auditor's report.

2020	2019	2018	2017	2016	2015
534	534	487	480	455	440
(534)	(534)	(487)	(480)	(456)	(440)
-	-	-	-	-	-
5,635	5,595	5,384	5,291	5,003	4,827
9.48%	9.54%	9.05%	9.07%	9.09%	9.12%

Jones County

Jones County

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2024

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%.

Jones County

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

For the Past Six Years
Required Supplementary Information

	2024	2023	2022	2021
Service cost	\$ 10,254	14,178	13,765	8,332
Interest cost	7,099	5,304	5,236	8,321
Difference between expected and actual experiences	(31,659)	-	(18,981)	-
Changes in assumptions	(21,645)	-	13,946	-
Accrued interest				
Benefit payments	(12,738)	(18,470)	(13,979)	(6,293)
Net change in total OPEB liability	(48,689)	1,012	(13)	10,360
Total OPEB liability beginning of year	243,920	242,908	242,921	232,561
Total OPEB liability end of year	\$ 195,231	243,920	242,908	242,921
Covered-employee payroll	\$ 6,486,567	5,674,174	5,508,907	4,986,295
Total OPEB liability as a percentage of covered-employee payroll	3.0%	4.3%	4.4%	4.9%

See accompanying independent auditor's report.

<u>2020</u>	<u>2019</u>
8,089	7,082
8,108	4,984
87,701	-
1,006	-
-	-
<u>(14,417)</u>	<u>(4,244)</u>
90,487	7,822
<u>142,074</u>	<u>134,252</u>
<u>232,561</u>	<u>142,074</u>
4,841,063	4,839,023
4.8%	2.9%

Jones County

Notes to Required Supplementary Information – OPEB Liability

Year ended June 30, 2024

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

The 2024 valuation implemented the following refinements as a result of a new actuarial opinion dated June 30, 2024:

- Changed mortality assumptions to the RP-2014 annuitant distinct mortality table adjusted to 2006 with scale MP-2021.

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	3.65%
Year ended June 30, 2023	2.14%
Year ended June 30, 2022	2.14%
Year ended June 30, 2020	3.50%
Year ended June 30, 2019	3.50%
Year ended June 30, 2018	3.58%

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

Supplementary Information

Jones County
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2024

	County Recorder's Records Management	Special Law Enforcement Proceeds	Law Enforcement Canine	Special Resource Enhancement and Protection
Assets				
Cash and pooled investments	\$ 23,512	1,428	32,437	131,758
Receivables:				
Property tax:				
Delinquent	-	-	-	-
Succeeding year property tax	-	-	-	-
Opioid settlement	-	-	-	-
Total assets	\$ 23,512	1,428	32,437	131,758
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ -	-	986	-
Deferred inflows of resources				
Unavailable revenues:				
Succeeding year property tax	-	-	-	-
Other	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted for:				
Opioid abatement	-	-	-	-
Other purposes	23,512	1,428	31,451	131,758
Total fund balances	23,512	1,428	31,451	131,758
Total liabilities, deferred inflows of resources and fund balances	\$ 23,512	1,428	32,437	131,758

See accompanying independent auditor's report.

Revenue					
Drug Abuse Resistance Education	Local Government Opioid Abatement	EMS Trust Fund	Friends of Jones County Conservation		Total
2,079	140,025	424,567	23,768		779,574
-	-	359	-		359
-	-	437,000	-		437,000
-	394,251	-	-		394,251
2,079	534,276	861,926	23,768		1,611,184
-	-	-	-		986
-	-	437,000	-		437,000
-	383,860	359	-		384,219
-	383,860	437,359	-		821,219
-	150,416	-	-		150,416
2,079	-	424,567	23,768		638,563
2,079	150,416	424,567	23,768		788,979
2,079	534,276	861,926	23,768		1,611,184

Jones County

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

Year ended June 30, 2024

	County Recorder's Records Management	Special Law Enforcement Proceeds	Law Enforcement Canine	Special Resource Enhancement and Protection
Revenues:				
Property and other county tax	-	-	-	-
Intergovernmental	\$ -	-	-	12,874
Charges for service	2,910	-	-	-
Use of money and property	48	-	-	687
Miscellaneous	-	-	25,173	-
Total revenues	2,958	-	25,173	13,561
Expenditures:				
Operating:				
Public safety and legal services	-	-	34,921	-
County environment and education	-	-	-	-
Governmental services to residents	1,620	-	-	-
Total expenditures	1,620	-	34,921	-
Excess (deficiency) of revenues over (under) expenditures	1,338	-	(9,748)	13,561
Other financing uses:				
Transfers out	-	-	-	(11,637)
Change in fund balances	1,338	-	(9,748)	1,924
Fund balances beginning of year	22,174	1,428	41,199	129,834
Fund balances end of year	\$ 23,512	1,428	31,451	131,758

See accompanying independent auditor's report.

Revenue					
Drug Abuse Resistance Education	Local Government Opioid Abatement	EMS Trust Fund	Friends of Jones County Conservation		Total
-	-	415,581	-		415,581
-	-	26,426	-		39,300
-	-	-	-		2,910
-	46	-	-		781
2,500	74,571	-	7,148		109,392
2,500	74,617	442,007	7,148		567,964
100	-	17,448	-		52,469
-	-	-	9,587		9,587
-	-	-	-		1,620
100	-	17,448	9,587		63,676
2,400	74,617	424,559	(2,439)		504,288
(751)	-	-	-		(12,388)
1,649	74,617	424,559	(2,439)		491,900
430	75,799	8	26,207		297,079
2,079	150,416	424,567	23,768		788,979

Jones County
Combining Schedule of Fiduciary Net Position
Custodial Funds

June 30, 2024

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash and pooled investments:				
County Treasurer	\$ -	2,619	443,249	165,962
Other County officials	5,850	-	-	-
Receivables:				
Property tax:				
Delinquent	-	225	489	15,441
Succeeding year	-	274,000	595,000	18,202,000
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Special assessments	-	-	-	-
Due from other governments	-	-	-	-
Total assets	5,850	276,844	1,038,738	18,383,403
Liabilities				
Accounts payable	-	-	6,559	-
Salaries and benefits payable	-	-	17,092	-
Due to other governments	-	2,619	30	165,962
Trusts payable	5,850	-	-	-
Compensated absences	-	-	22,316	-
Total liabilities	5,850	2,619	45,997	165,962
Deferred Inflows of Resources				
Unavailable revenues	-	274,000	595,000	18,202,000
Net Position				
Restricted for individuals, organizations and other governments	\$ -	225	397,741	15,441

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Solid Waste Management Commission	Other	Total
16,021	87,400	2,863	588,168	2,084,950	832,135	4,223,367
-	-	-	-	-	-	5,850
1,432	5,291	357	-	-	2,975	26,210
1,711,000	6,381,000	387,000	-	-	36,000	27,586,000
-	-	-	-	67,096	7,376	74,472
-	-	-	-	21,897	-	21,897
-	-	-	-	-	100,028	100,028
-	-	-	-	2,467	58,966	61,433
1,728,453	6,473,691	390,220	588,168	2,176,410	1,037,480	32,099,257
-	-	-	-	69,925	2,754	79,238
-	-	-	-	6,460	11,356	34,908
16,021	87,400	2,863	588,168	-	74,177	937,240
-	-	-	-	-	-	5,850
-	-	-	-	23,610	18,557	64,483
16,021	87,400	2,863	588,168	99,995	106,844	1,121,719
1,711,000	6,381,000	387,000	-	-	36,000	27,586,000
1,432	5,291	357	-	2,076,415	894,636	3,391,538

Jones 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	\$ -	267,594	512,105	16,938,601
911 surcharges	-	-	-	-
State tax credits	-	17,514	33,046	993,249
Office fees and collections	468,072	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Trusts	586,640	-	-	-
Miscellaneous	-	-	80	-
Total additions	1,054,712	285,108	545,231	17,931,850
Deductions:				
Agency remittances:				
To other funds	173,362	-	-	-
To other governments	294,710	285,117	496,172	17,931,220
Trusts paid out	586,640	-	-	-
Total deductions	1,054,712	285,117	496,172	17,931,220
Changes in net position	-	(9)	49,059	630
Net position beginning of year	-	234	348,682	14,811
Net position end of year	\$ -	225	397,741	15,441

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Solid Waste Management Commission	Other	Total
1,627,959	6,264,596	354,925	-	-	36,691	26,002,471
-	-	-	-	-	40,989	40,989
95,290	613,711	17,418	-	-	1,531	1,771,759
-	-	-	-	-	-	468,072
-	-	-	8,076,193	-	385	8,076,578
-	-	-	-	-	806,323	1,392,963
-	-	-	-	1,110,280	-	1,110,360
1,723,249	6,878,307	372,343	8,076,193	1,110,280	912,136	38,889,409
-	-	-	351,324	-	-	524,686
1,723,265	6,877,657	372,356	7,724,869	996,805	820,818	37,522,989
-	-	-	-	-	-	586,640
1,723,265	6,877,657	372,356	8,076,193	996,805	820,818	38,634,315
(16)	650	(13)	-	113,475	91,318	255,094
1,448	4,641	370	-	1,962,940	803,318	3,136,444
1,432	5,291	357	-	2,076,415	894,636	3,391,538

Jones 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	\$ 10,400,241	9,083,752	8,577,199	8,558,426
Local option sales tax	1,315,370	1,303,432	1,488,367	1,247,608
Interest and penalty on property tax	51,044	43,963	46,247	68,305
Intergovernmental	7,968,868	8,018,474	6,740,211	7,228,557
Licenses and permits	100,891	89,926	76,305	60,436
Charges for service	750,781	700,467	774,389	750,698
Use of money and property	842,403	569,203	235,034	241,736
Miscellaneous	587,912	539,812	440,368	1,086,526
Total	<u>\$ 22,017,510</u>	<u>20,349,029</u>	<u>18,378,120</u>	<u>19,242,292</u>
Expenditures:				
Operating:				
Public safety and legal services	\$ 4,442,553	4,368,748	3,554,477	3,309,174
Physical health and social services	931,588	912,146	866,310	748,550
Mental health	-	-	886,810	953,076
County environment and education	1,380,742	1,855,749	1,737,321	991,059
Roads and transportation	7,229,230	9,371,664	7,453,220	6,662,954
Governmental services to residents	859,889	860,457	843,240	820,210
Administration	3,698,375	2,674,899	2,232,942	1,979,976
Non-program	62,097	111,002	188,138	187,606
Debt service	-	-	-	-
Capital projects	991,980	513,061	1,139,343	1,217,221
Total	<u>\$ 19,596,454</u>	<u>20,667,726</u>	<u>18,901,801</u>	<u>16,869,826</u>

See accompanying independent auditor's report.

2020	2019	2018	2017	2016	2015
8,064,872	7,736,768	7,849,305	7,693,151	7,434,518	7,280,962
1,042,500	884,799	834,067	857,403	832,518	917,239
26,421	41,656	43,490	40,000	42,938	42,982
6,233,307	7,806,986	6,525,175	6,450,432	7,192,925	6,661,282
68,837	74,219	55,973	51,086	70,810	73,594
682,893	677,344	690,298	640,945	637,180	581,223
347,503	338,617	258,880	214,765	172,370	197,919
526,776	521,275	1,066,863	437,154	454,828	436,108
16,993,109	18,081,664	17,324,051	16,384,936	16,838,087	16,191,309
3,108,388	2,979,007	2,996,084	2,752,376	2,722,911	2,537,685
780,697	763,300	715,706	722,072	702,077	696,151
903,477	698,812	795,583	1,157,430	1,115,440	1,035,751
1,082,084	1,637,676	978,695	948,592	923,276	886,991
6,550,025	7,071,882	6,285,831	6,836,332	6,600,997	6,158,379
775,571	737,428	717,962	677,712	796,892	619,073
1,787,845	1,790,139	1,815,971	1,707,156	1,758,826	1,806,532
592,253	82,990	82,243	93,130	89,655	420,735
450,482	450,000	383,021	400,000	-	-
2,724,950	2,311,687	1,874,604	354,087	923,830	764,868
18,755,772	18,522,921	16,645,700	15,648,887	15,633,904	14,926,165



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

To the Officials of Jones 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 Jones 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 February 18, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jones 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 Jones County's internal control. Accordingly, we do not express an opinion on the effectiveness of Jones County's internal control.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2024-001 and 2024-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jones 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.

Jones County's Responses to Findings

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

February 18, 2025

Jones 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) Collecting, depositing, posting, maintaining receivable records and daily reconciling of receipts for which no compensating controls exist.	Conservation
(2) Bank reconciliation is not reviewed by an independent person	Recorder

Cause – The County Conservation office and Recorder’s office have a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

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

Recommendation – We realize segregation of duties is difficult with a limited number of employees. However, the operating procedures should be reviewed to obtain the maximum internal control possible under the circumstances. Current personnel, including elected officials and personnel from other County offices, should be utilized to provide additional control through review of financial transactions and reconciliations. 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.

Jones County

Schedule of Findings

Year ended June 30, 2024

Responses –

Recorder – I understand and will try to segregate duties moving forward. I will look into having another elected official review the bank reconciliations.

Conservation – We will review procedures and see if the use of County employees outside of the Department will support better segregation of duties.

Conclusions – Responses accepted.

2024-002 Segregation of Duties – Friends of Jones County Conservation and Nature Center (Friends)

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 individual. This segregation of duties helps prevent losses from error or dishonesty and maximizes the accuracy of the Friend's financial statements.

Condition – Generally, one individual has control over account billings, collections, depositing, and recording functions.

Cause – The Friends have a limited number of individuals on the board and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

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

Recommendation – We realize segregation of duties is difficult with a limited number of individuals. However, the operating procedures should be reviewed to obtain the maximum internal control possible under the circumstances. Current personnel, including elected officials and personnel from other County offices, should be utilized to provide additional control through review of financial transactions and reconciliations. 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.

Response – Moving forward, Friends will do our best to segregate duties.

Conclusion – Responses accepted.

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

Jones County

Schedule of Findings

Year ended June 30, 2024

Findings Related to Required Statutory Reporting:

2024-A Certified Budget – Disbursements during the year ended June 30, 2024 did not exceed the amounts budgeted. However, disbursements in certain departments exceeded the amounts appropriated at year end.

Recommendation – 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 appropriations.

Response – Appropriations will be watched more closely by the Departments.

Conclusion – Response acknowledged. The County should adjust office or department appropriations before disbursements are allowed to exceed appropriations.

2024-B Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.

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:

<u>Vendor and County Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Benter Inc., owned by father-in-law and husband of Assessor	Dust control	\$ 35,021
Timber Ridge Land Enhancement & Construction, son of a Deputy Auditor	Snow removal	4,400

The Benter Inc transactions do not appear to represent conflicts of interest in accordance with Chapter 331.342(2)(d) of the Code of Iowa since the remuneration of employment will not be directly affected as a result of the contract and the duties of employment do not directly involve the procurement or preparation of any part of the contract.

In accordance with Chapter 331.342(2)(c) of the Code of Iowa, the transaction with Timber Ridge does not appear to represent a conflict of interest since the transaction was competitively bid and was publicly invited and opened.

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.

Jones County

Schedule of Findings

Year ended June 30, 2024

- 2024-F Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be periodically reviewed 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 Chapter 12B and Chapter 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 Issuance of Warrants – The warrant listing did not contain the signature of the County Treasurer as required by Chapter 331.506(1)(b) of the Code of Iowa.

Recommendation – The County should ensure the warrant listing contains the County Treasurer’s signature as required by the Code of Iowa.

Response – This was brought to our attention in January 2025, and we have since been receiving a warrant listing from the County Auditor for the Treasurer’s signature.

Conclusion – Response accepted.

Jones County

Staff

This audit was performed by:

Brian R. Brustkern, CPA, Deputy
Gwen D. Fangman, CPA, Manager
Brett S. Gillen, CPA, Senior Auditor II
William R. Bamber, CPA, Senior Auditor
Brianna M. Denton, Staff Auditor
Dillon J. Hoit, Staff Auditor
Jon J. Wilson, Assistant Auditor