



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

Mary Mosiman, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

**NEWS RELEASE**

FOR RELEASE

May 23, 2014

Contact: Andy Nielsen  
515/281-5834

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

The County had local tax revenue of \$25,944,575 for the year ended June 30, 2013, which included \$1,074,736 in tax credits from the state. The County forwarded \$18,768,466 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$7,176,109 of the local tax revenue to finance County operations, a 2.7% decrease from the prior year. Other revenues included charges for service of \$928,675, operating grants, contributions and restricted interest of \$3,000,537, capital grants, contributions and restricted interest of \$184,527, local option sales tax of \$777,807, unrestricted investment earnings of \$17,367 and other general revenues of \$217,605.

Expenses for County operations for the year ended June 30, 2013 totaled \$13,314,553, a 5.9% decrease from the prior year. Expenses included \$5,143,567 for roads and transportation, \$2,976,273 for public safety and legal services and \$1,156,925 for administration.

A copy of the audit report is available for review in the County Auditor's Office, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1310-0044-B00F.pdf>.

###



**HENRY COUNTY**  
**INDEPENDENT AUDITOR'S REPORTS**  
**BASIC FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FINDINGS**  
**JUNE 30, 2013**

Table of Contents

		<u>Page</u>
Officials		3
Independent Auditor’s Report		5-6
Management’s Discussion and Analysis		7-13
Basic Financial Statements:	<u>Exhibit</u>	
Government-wide Financial Statements:		
Statement of Net Position	A	16
Statement of Activities	B	17
Governmental Fund Financial Statements:		
Balance Sheet	C	18-19
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	D	21
Statement of Revenues, Expenditures and Changes in Fund Balances	E	22-23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	F	24
Fiduciary Fund Financial Statement:		
Statement of Fiduciary Assets and Liabilities – Agency Funds	G	25
Notes to Financial Statements		26-39
Required Supplementary Information:		
Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances – Budget and Actual (Cash Basis) – All Governmental Funds		42
Budget to GAAP Reconciliation		43
Notes to Required Supplementary Information – Budgetary Reporting		44
Schedule of Funding Progress for the Retiree Health Plan		45
Supplementary Information:	<u>Schedule</u>	
Nonmajor Governmental Funds:		
Combining Balance Sheet	1	48-49
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	2	50-51
Agency Funds:		
Combining Schedule of Fiduciary Assets and Liabilities	3	52-53
Combining Schedule of Changes in Fiduciary Assets and Liabilities	4	54-55
Schedule of Revenues by Source and Expenditures by Function – All Governmental Funds	5	56-57
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		59-60
Schedule of Findings		61-68
Staff		69

**Henry County**

**Officials**

**(Before January 2013)**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Gary See	Board of Supervisors	Jan 2013
Kent White	Board of Supervisors	Jan 2013
Marc Lindeen	Board of Supervisors	Jan 2015
Shelly Barber	County Auditor	Jan 2015
Ana Lair	County Treasurer	Jan 2013
Shirley Wandling	County Recorder	Jan 2013
Allen Wittmer	County Sheriff	Jan 2013
Darin Stater	County Attorney	Jan 2013
Gary Dustman	County Assessor	Jan 2018

**(After January 2013)**

Marc Lindeen	Board of Supervisors	Jan 2015
Greg Moeller	Board of Supervisors	Jan 2017
Gary See	Board of Supervisors	Jan 2017
Shelly Barber	County Auditor	Jan 2015
Ana Lair	County Treasurer	Jan 2017
Shirley Wandling	County Recorder	Jan 2017
Rich McNamee	County Sheriff	Jan 2017
Darin Stater	County Attorney	Jan 2017
Gary Dustman	County Assessor	Jan 2018

**Henry County**



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

Mary Mosiman, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

Independent Auditor's Report

To the Officials of Henry County:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Henry County, Iowa, as of and for the year ended June 30, 2013, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Henry County as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

*Required Supplementary Information*

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information and the Schedule of Funding Progress for the Retiree Health Plan on pages 7 through 13 and 42 through 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Henry County's basic financial statements. The financial statements for the nine years ended June 30, 2012 (which are not presented herein) were audited by another auditor who expressed unqualified opinions on those financial statements. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 8, 2014 on our consideration of Henry 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 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 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 Henry County's internal control over financial reporting and compliance.

  
MARY MOSIMAN, CPA  
Auditor of State

  
WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

April 8, 2014

---

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

Henry 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, 2013. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

### **2013 FINANCIAL HIGHLIGHTS**

- ◆ Revenues of the County's governmental activities decreased 15.6%, or approximately \$2,272,000, from fiscal year 2012 to fiscal year 2013. Property tax decreased approximately \$257,000, operating grants, contributions and restricted interest decreased approximately \$682,000 and capital grants, contributions and restricted interest decreased approximately \$447,000.
- ◆ Program expenses of the County's governmental activities were 5.9%, or approximately \$834,000, less in fiscal year 2013 than in fiscal year 2012. Mental health expenses decreased approximately \$2,333,000. Roads and transportation expenses increased approximately \$331,000.
- ◆ The County's net position decreased 3.0%, or approximately \$1,012,000, from June 30, 2012 to June 30, 2013.

### **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 Henry 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 Henry 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 financial information about activities for which Henry County acts solely as an agent or custodian for the benefit of those outside of County government (Agency Funds).

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

Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year, as well as presenting the Schedule of Funding Progress for the Retiree Health Plan.

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

## **REPORTING THE COUNTY'S FINANCIAL ACTIVITIES**

### *Government-wide Financial Statements*

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information which helps answer this question. These statements include all assets and liabilities 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 all of the County's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the County's net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

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

### *Fund Financial Statements*

The County has 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 Mental Health, Rural Services and Secondary Roads, 3) the Debt Service Fund and 4) the Capital Projects Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

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

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

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

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. Henry County's combined net position decreased from approximately \$33.3 million to approximately \$32.3 million. The analysis that follows focuses on the net position of governmental activities.

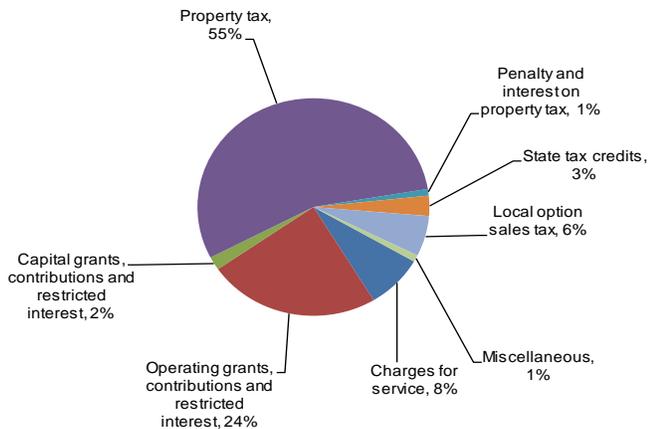
Net Position of Governmental Activities		
(Expressed in Thousands)		
	June 30,	
	2013	2012
Current and other assets	\$ 16,409	15,800
Capital assets	25,526	27,431
Total assets	41,935	43,231
Long-term liabilities	1,838	2,065
Other liabilities	7,785	7,842
Total liabilities	9,623	9,907
Net position:		
Net investment in capital assets	25,526	27,008
Restricted	4,793	4,655
Unrestricted	1,993	1,661
Total net position	\$ 32,312	33,324

Net position of Henry County's governmental activities decreased 3.0% (approximately \$32.3 million compared to approximately \$33.3 million). The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, intangibles, buildings and equipment). Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net position — the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements — increased from approximately \$1,661,000 at June 30, 2012 to approximately \$1,993,000 at the end of this year, an increase of 20.0%.

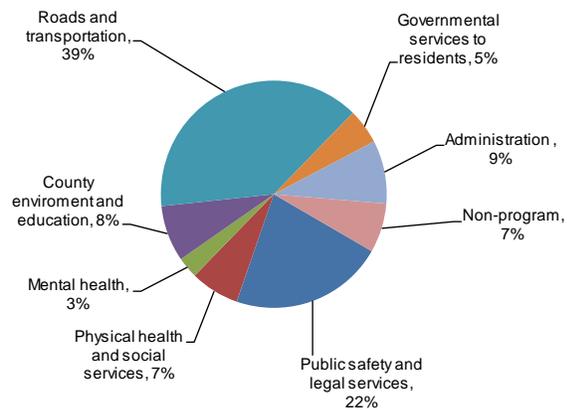
**Changes in Net Position of Governmental Activities**  
(Expressed in Thousands)

	Year ended June 30,	
	2013	2012
<b>Revenues:</b>		
<b>Program revenues:</b>		
Charges for service	\$ 929	1,897
Operating grants, contributions and restricted interest	3,000	3,682
Capital grants, contributions and restricted interest	185	632
<b>General revenues:</b>		
Property tax	6,866	7,123
Penalty and interest on property tax	73	65
State tax credits	310	254
Local option sales tax	778	855
Unrestricted investment earnings	17	38
Gain on disposition of capital assets	-	29
Miscellaneous	145	-
Total revenues	12,303	14,575
<b>Program expenses:</b>		
Public safety and legal services	2,976	2,966
Physical health and social services	923	758
Mental health	447	2,780
County environment and education	1,033	925
Roads and transportation	5,144	4,813
Governmental services to residents	604	553
Administration	1,157	1,134
Non-program	995	190
Interest on long-term debt	36	30
Total expenses	13,315	14,149
Change in net position	(1,012)	426
Net position beginning of year, as restated	33,324	32,898
Net position end of year	\$ 32,312	33,324

**Revenues by Source**



**Expenses by Program**



Property tax and state tax credits for the year ended June 30, 2012 have been restated to properly reflect \$534,000 of mental health property tax relief as property tax rather than state tax credits.

Henry County's net position of governmental activities decreased approximately \$1,012,000 during the year. Revenues for governmental activities decreased approximately \$2,272,000 from the prior year, with property tax revenue down from the prior year approximately \$257,000, or 3.6%.

Although property tax valuations increased for fiscal year 2013, the County's property tax revenue decreased approximately \$257,000. Based on increases in the total assessed valuation, property tax revenue is budgeted to increase \$241,000 next year.

The cost of all governmental activities this year was approximately \$13.3 million compared to approximately \$14.1 million last year. However, as shown in the Statement of Activities on page 17, the amount taxpayers ultimately financed for these activities was approximately \$9.2 million because some of the cost was paid by those directly benefited from the programs (approximately \$929,000) or by other governments and organizations which subsidized certain programs with grants and contributions. Overall, the County's governmental program revenues, including intergovernmental aid and charges for service, decreased in fiscal year 2013 from approximately \$6,211,000 to approximately \$4,114,000, principally due to receiving less grant funding during fiscal year 2013.

#### **INDIVIDUAL MAJOR FUND ANALYSIS**

As Henry County completed the year, its governmental funds reported a combined fund balance of approximately \$8.6 million, an increase of more than \$662,000 above last year's total of approximately \$7.9 million. The increase in fund balance is primarily attributable to a reduction of approximately \$2.4 million in mental health expenditures during the year. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues increased approximately \$306,000 and expenditures remained consistent when compared to the prior year. The ending fund balance increased approximately \$700,000 from the prior year to approximately \$3,452,000.
- The County has continued to look for ways to effectively manage the cost of mental health services. Revenues of the Special Revenue, Mental Health Fund for the year decreased approximately \$2,331,000, primarily due to the County Care Facility ceasing operations in April 2012. Expenditures from the fund decreased approximately \$2,413,000, from approximately \$2,854,000 to approximately \$441,000, primarily due to the State's method of paying for Medicaid services.
- There were no significant changes in revenues, expenditures and the fund balance of the Special Revenue, Rural Services Fund.
- Special Revenue, Secondary Roads Fund expenditures increased approximately \$541,000 over the prior year, due principally to an increase in roadway maintenance as the County continues to aggressively upgrade the condition of the County roadway system. The Special Revenue, Secondary Roads Fund ending balance decreased approximately \$35,000, or 1.4%.

#### **BUDGETARY HIGHLIGHTS**

Over the course of the year, Henry County amended its budget one time. The amendment was made in May 2013 to provide for additional disbursements in certain County departments.

The County's receipts were \$105,772 more than budgeted, a variance of .9%. The most significant variance resulted from the County receiving more intergovernmental receipts than anticipated.

Total disbursements were \$2,446,899 less than the amended budget. Actual disbursements for the capital projects, public safety and legal services and mental health functions were \$944,860, \$381,711 and \$363,555, respectively, less than budgeted. This was primarily due to decreases in capital project disbursements since there were no new projects started during the fiscal year, a delay in purchasing a new pole building and a significant change in the state's method of paying for Medicaid services.

Even with the budget amendment, the County exceeded the budgeted amount in the non-program function for the year ended June 30, 2013.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

At June 30, 2013, Henry County had approximately \$25.5 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges and intangible assets. This is a net decrease (including additions and deletions) of approximately \$1,905,000, or 6.9%, over last year.

Capital Assets of Governmental Activities at Year End		
(Expressed in Thousands)		
	June 30,	
	2013	2012
Land	\$ 3,325	4,007
Buildings and improvements	903	1,354
Equipment and vehicles	1,355	1,272
Infrastructure	19,943	20,798
Total	<u>\$ 25,526</u>	<u>27,431</u>

The County had depreciation expense of \$1,742,988 in fiscal year 2013 and total accumulated depreciation of \$23,315,686 at June 30, 2013. More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

### **Long-Term Debt**

At June 30, 2013, Henry County had \$1,295,000 of general obligation notes outstanding, compared to approximately \$1,537,000 at June 30, 2013.

The County continues to carry a general obligation bond rating of Aa3 assigned by national rating agencies to the County's debt. The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. Henry County's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$60.7 million. Additional information about the County's long-term debt is presented in Note 6 to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Henry County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2014 budget, tax rates and fees charged for various County activities. In an ongoing effort to maintain County services, the Henry County Board of Supervisors is committed to limiting expenditure increases, using excess fund balances and reducing funding to non-mandated programs to provide essential services for the citizens of Henry County.

Amounts available for appropriation in the operating budget are approximately \$12 million, a less than 1% decrease from the final fiscal year 2013 budget. Budgeted disbursements increased approximately \$470,000 from the final fiscal year 2013 budget, with no significant changes anticipated. The County has added no major new programs or initiatives to the fiscal year 2014 budget.

If these estimates are realized, the County's budgetary operating balance is expected to decrease approximately \$1,973,000, or 49.6%, by the close of fiscal year 2014.

## **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Henry 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 Henry County Auditor's Office, 101 Main Street, Mt. Pleasant, Iowa 52641.

**Henry County**

## **Basic Financial Statements**

**Exhibit A**

Henry County  
Statement of Net Position  
June 30, 2013

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and pooled investments	\$ 7,720,417
Cash held by health plan trustee	541,162
Receivables:	
Property tax:	
Delinquent	17,480
Succeeding year	7,309,289
Interest and penalty on property tax	25,665
Accounts	280,755
Accrued interest	66
Due from other governments	153,355
Inventories	260,206
Prepaid insurance	100,656
Capital assets, net of accumulated depreciation	<u>25,526,079</u>
<b>Total assets</b>	<u>41,935,130</u>
<b>Liabilities</b>	
Accounts payable	397,993
Due to other governments	21,678
Deferred revenue:	
Succeeding year property tax	7,302,576
Other	62,347
Long-term liabilities:	
Portion due or payable within one year:	
General obligation notes	205,000
Compensated absences	253,080
Portion due or payable after one year:	
General obligation notes	1,090,000
Compensated absences	73,137
Landfill closure and postclosure care costs	5,000
Net OPEB liability	<u>212,600</u>
<b>Total liabilities</b>	<u>9,623,411</u>
<b>Net Position</b>	
Net investment in capital assets	25,526,079
Restricted for:	
Supplemental levy purposes	555,214
Mental health purposes	1,052,343
Rural services purposes	116,064
Secondary roads purposes	2,217,442
Debt service	31,146
Other purposes	820,964
Unrestricted	<u>1,992,467</u>
<b>Total net position</b>	<u>\$ 32,311,719</u>

See notes to financial statements.

Henry County  
Statement of Activities  
Year ended June 30, 2013

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Service	Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
<b>Functions/Programs:</b>					
Governmental activities:					
Public safety and legal services	\$ 2,976,273	225,279	46,543	-	(2,704,451)
Physical health and social services	922,856	40,352	306,699	-	(575,805)
Mental health	446,706	12,876	49,447	-	(384,383)
County environment and education	1,033,075	40,725	104,731	184,527	(703,092)
Roads and transportation	5,143,567	276,726	2,492,485	-	(2,374,356)
Governmental services to residents	604,406	318,000	26	-	(286,380)
Administration	1,156,925	13,461	-	-	(1,143,464)
Non-program	994,924	1,256	595	-	(993,073)
Interest on long-term debt	35,821	-	11	-	(35,810)
<b>Total</b>	<b>\$ 13,314,553</b>	<b>928,675</b>	<b>3,000,537</b>	<b>184,527</b>	<b>(9,200,814)</b>
<b>General Revenues:</b>					
Property and other county tax levied for:					
General purposes					6,637,323
Debt service					228,850
Penalty and interest on property tax					73,221
State tax credits					309,936
Local option sales tax					777,807
Unrestricted investment earnings					17,367
Miscellaneous					144,384
<b>Total general revenues</b>					<b>8,188,888</b>
Change in net position					(1,011,926)
Net position beginning of year, as restated					33,323,645
Net position end of year					<b>\$ 32,311,719</b>

See notes to financial statements.

Henry County  
Balance Sheet  
Governmental Funds

June 30, 2013

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
<b>Assets</b>				
Cash and pooled investments	\$ 3,045,020	1,080,071	153,574	2,008,979
Cash held by health plan trustee	343,186	18,559	-	170,714
Receivables:				
Property tax:				
Delinquent	11,616	1,998	3,319	-
Succeeding year	4,856,968	835,642	1,379,329	6,720
Interest and penalty on property tax	25,665	-	-	-
Accounts	65,783	2,190	-	212,270
Accrued interest	43	-	-	-
Due from other governments	24,199	118	-	-
Inventories	-	-	-	260,206
Prepaid expenses	100,656	-	-	-
<b>Total assets</b>	<b>\$ 8,473,136</b>	<b>1,938,578</b>	<b>1,536,222</b>	<b>2,658,889</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 105,056	34,841	-	190,568
Due to other governments	21,678	-	-	-
Deferred revenue:				
Succeeding year property tax	4,856,968	835,647	1,379,331	-
Other	37,281	1,998	3,319	62,347
Total liabilities	5,020,983	872,486	1,382,650	252,915
Fund balances:				
Nonspendable:				
Inventories	-	-	-	260,206
Prepaid insurance	100,656	-	-	-
Restricted for:				
Supplemental levy purposes	572,957	-	-	-
Mental health purposes	-	1,047,533	-	-
Rural services purposes	-	-	153,572	-
Secondary roads purposes	-	-	-	1,975,054
Conservation land acquisition	25,974	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Other purposes	39,374	-	-	-
Assigned for:				
Historic preservation	11,532	-	-	-
Conservation purposes	169,782	-	-	-
Economic development	290,324	-	-	-
Health benefits	343,186	18,559	-	170,714
Unassigned	1,898,368	-	-	-
Total fund balances	3,452,153	1,066,092	153,572	2,405,974
<b>Total liabilities and fund balances</b>	<b>\$ 8,473,136</b>	<b>1,938,578</b>	<b>1,536,222</b>	<b>2,658,889</b>

See notes to financial statements.

Nonmajor	Total
1,432,773	7,720,417
8,703	541,162
547	17,480
230,630	7,309,289
-	25,665
512	280,755
23	66
129,038	153,355
-	260,206
-	100,656
<u>1,802,226</u>	<u>16,409,051</u>

67,528	397,993
-	21,678
230,630	7,302,576
547	105,492
<u>298,705</u>	<u>7,827,739</u>

-	260,206
-	100,656
-	572,957
-	1,047,533
-	153,572
-	1,975,054
-	25,974
30,599	30,599
714,150	714,150
750,069	789,443
-	11,532
-	169,782
-	290,324
8,703	541,162
-	1,898,368
<u>1,503,521</u>	<u>8,581,312</u>
<u>1,802,226</u>	<u>16,409,051</u>

**Henry County**

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

June 30, 2013

**Total governmental fund balances (page 19)** \$ 8,581,312

***Amounts reported for governmental activities in the Statement of Net Position are different because:***

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$48,841,765 and the accumulated depreciation is \$23,315,686. 25,526,079

Other long-term assets are not available to pay current year expenditures and, therefore, are deferred in the governmental funds. 43,145

Long-term liabilities, including notes payable, compensated absences payable, landfill closure and postclosure care costs payable and other postemployment benefits payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (1,838,817)

**Net position of governmental activities (page 16)** \$ 32,311,719

See notes to financial statements.

Henry County

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

Year ended June 30, 2013

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
<b>Revenues:</b>				
Property and other county tax	\$ 4,544,342	811,234	1,281,493	-
Local option sales tax	-	-	-	-
Interest and penalty on property tax	70,778	-	-	-
Intergovernmental	689,940	81,597	64,094	2,871,737
Licenses and permits	100	-	-	5,445
Charges for service	500,194	12,876	-	56,580
Use of money and property	59,326	-	-	228
Miscellaneous	69,348	8,839	-	19,884
Total revenues	<u>5,934,028</u>	<u>914,546</u>	<u>1,345,587</u>	<u>2,953,874</u>
<b>Expenditures:</b>				
<b>Operating:</b>				
Public safety and legal services	2,594,233	-	318,435	-
Physical health and social services	704,106	-	-	-
Mental health	-	440,919	-	-
County environment and education	510,114	-	-	-
Roads and transportation	-	-	-	3,715,590
Governmental services to residents	517,840	-	1,694	-
Administration	1,097,908	-	-	-
Non-program	38,964	-	-	-
Debt service	-	-	-	-
Capital projects	18,318	-	-	195,197
Total expenditures	<u>5,481,483</u>	<u>440,919</u>	<u>320,129</u>	<u>3,910,787</u>
Excess (deficiency) of revenues over (under) expenditures	452,545	473,627	1,025,458	(956,913)
<b>Other financing sources (uses):</b>				
Sale of capital assets	247,000	-	-	-
Operating transfers in	-	-	-	1,106,293
Operating transfers out	-	-	(1,106,293)	(184,527)
Total other financing sources (uses)	<u>247,000</u>	<u>-</u>	<u>(1,106,293)</u>	<u>921,766</u>
Change in fund balances	699,545	473,627	(80,835)	(35,147)
Fund balances beginning of year, as restated	2,752,608	592,465	234,407	2,441,121
Fund balances end of year	<u>\$ 3,452,153</u>	<u>1,066,092</u>	<u>153,572</u>	<u>2,405,974</u>

See notes to financial statements.

Nonmajor	Total
228,303	6,865,372
777,807	777,807
-	70,778
47,596	3,754,964
40,352	45,897
8,176	577,826
371	59,925
2,239	100,310
<u>1,104,844</u>	<u>12,252,879</u>
843	2,913,511
215,018	919,124
-	440,919
486,150	996,264
74,372	3,789,962
3,159	522,693
28,318	1,126,226
15,000	53,964
230,821	230,821
630,061	843,576
<u>1,683,742</u>	<u>11,837,060</u>
<u>(578,898)</u>	<u>415,819</u>
-	247,000
184,527	1,290,820
-	(1,290,820)
<u>184,527</u>	<u>247,000</u>
(394,371)	662,819
1,897,892	7,918,493
<u>1,503,521</u>	<u>8,581,312</u>

Henry County

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

Year ended June 30, 2013

**Change in fund balances - Total governmental funds (page 23)** \$ 662,819

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

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

Expenditures for capital assets	\$ 949,421	
Depreciation expense	<u>(1,742,988)</u>	(793,567)

In the Statement of Activities, the loss on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources.		(1,110,971)
---	--	-------------

Because some revenues will not be collected for several months after the County's year end, they are not considered available property tax revenues and are deferred in the governmental funds.		3,244
---	--	-------

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.		241,504
---	--	---------

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	8,318	
Other postemployment benefits	(18,273)	
Landfill closure and post closure care costs	<u>(5,000)</u>	<u>(14,955)</u>

**Change in net position of governmental activities (page 17)** \$ (1,011,926)

See notes to financial statements.

Henry County  
Statement of Fiduciary Assets and Liabilities  
Agency Funds

June 30, 2013

**Assets**

Cash and pooled investments:

County Treasurer	\$ 1,599,643
Other County officials	38,742
Cash held by health plan trustee	31,302

Receivables:

Property tax:

Delinquent	43,481
Succeeding year	17,729,753
Accounts	60,853
Accrued interest	25

Due from other governments

<b>Total assets</b>	<u>19,503,800</u>
---------------------	-------------------

**Liabilities**

Accounts payable

Due to other governments

Trusts payable

Compensated absences

<b>Total liabilities</b>	<u>19,503,800</u>
--------------------------	-------------------

**Net position**

\$	<u><u>-</u></u>
----	-----------------

See notes to financial statements.

Henry County

Notes to Financial Statements

June 30, 2013

**(1) Summary of Significant Accounting Policies**

Henry 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, Henry 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. The County has no component units which meets the Governmental Accounting Standards Board criteria.

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: County Assessor's Conference Board, County Emergency Management Commission and County Joint E911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Agency Funds of the County.

The County also participates in the following jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa: Henry County Industrial Development Corporation and the Great River Regional Waste Authority.

B. Basis of Presentation

Government-wide Financial Statements – The Statement of Net Position (previously referred to as net assets) and the Statement of Activities report information on all of the nonfiduciary activities of the County. 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 and liabilities, with the difference reported as net position. Net position is reported in the following categories.

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

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

*Unrestricted net position* consists of net position not meeting the definition of the preceding categories. Unrestricted net position often has constraints on resources 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 Mental Health Fund is used to account for property tax and other revenues to be used to fund mental health, intellectual disabilities and developmental disabilities services.

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

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

Additionally, the County reports the following funds:

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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, Liabilities and Fund Equity

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 the investment in the Iowa Public Agency Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at 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 March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2011 assessed property valuations; is for the tax accrual period July 1, 2012 through June 30, 2013 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2012.

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.

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

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

Capital Assets – Capital assets, which include property, equipment and vehicles, intangibles and infrastructure assets acquired after July 1, 1980 (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the County), 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 estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Infrastructure	\$ 65,000
Land, buildings and improvements	25,000
Equipment and vehicles	5,000

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

Asset Class	Estimated Useful Lives (In Years)
Buildings	25 - 50
Building improvements	25 - 50
Infrastructure	10 - 65
Equipment	3 - 20
Vehicles	5 - 15

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

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

Deferred 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. Deferred revenue in the governmental fund financial statements represents 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 revenue consists of unspent grant proceeds as well as property tax receivable and other receivables not collected within sixty days after year end.

Deferred revenue in the Statement of Net Position consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and unspent grant proceeds.

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 the 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, 2013. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

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

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

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

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

Assigned – Amounts the Board of Supervisors intend to use for specific purposes.

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, 2013, disbursements exceeded the amount budgeted in the non-program function.

**(2) Cash and Pooled Investments**

The County's deposits in banks at June 30, 2013 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 insure there will be no loss of public funds.

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

The County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$5,498,065 pursuant to Rule 2a-7 under the Investment Company Act of 1940. The investment in the Iowa Public Agency Investment Trust is unrated for credit risk purposes.

**(3) Interfund Transfers**

The detail of interfund transfers for the year ended June 30, 2013 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Special Revenue: Secondary Roads	Special Revenue: Rural Services	\$ 1,106,293
Capital Projects	Special Revenue: Secondary Roads	<u>184,527</u>
Total		<u>\$ 1,290,820</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, 2013 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 4,006,996	-	(681,902)	3,325,094
Construction in progress	-	392,350	(392,350)	-
Total capital assets not being depreciated	4,006,996	392,350	(1,074,252)	3,325,094
Capital assets being depreciated:				
Buildings	2,269,411	-	(831,875)	1,437,536
Improvements other than buildings	28,300	-	-	28,300
Equipment and vehicles	5,698,523	634,824	(382,768)	5,950,579
Infrastructure, road network	37,707,906	392,350	-	38,100,256
Infrastructure, other	80,620	-	(80,620)	-
Total capital assets being depreciated	45,784,760	1,027,174	(1,295,263)	45,516,671
Less accumulated depreciation:				
Buildings	930,635	63,015	(445,085)	548,565
Improvements other than buildings	13,268	518	-	13,786
Equipment and vehicles	4,426,585	501,821	(332,607)	4,595,799
Infrastructure, road network	16,982,589	1,174,947	-	18,157,536
Infrastructure, other	8,062	2,687	(10,749)	-
Total accumulated depreciation	22,361,139	1,742,988	(788,441)	23,315,686
Total capital assets being depreciated, net	23,423,621	(715,814)	(506,822)	22,200,985
Governmental activities capital assets, net	\$ 27,430,617	(323,464)	(1,581,074)	25,526,079

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 94,292
Physical health and social services	3,498
Mental health	5,947
County environment and education	20,460
Roads and transportation	1,530,729
Governmental services to residents	3,326
Administration	84,736
Total depreciation expense - governmental activities	<u>\$ 1,742,988</u>

**(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, 2013 is as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
General	Services	<u>\$ 21,678</u>
Agency:		
County Assessor	Collections	\$ 1,147,942
Schools		11,247,761
Community Colleges		770,401
Corporations		4,373,136
Auto License and Use Tax		383,666
All other		<u>1,405,154</u>
Total for agency funds		<u>\$ 19,328,060</u>

**(6) Long-Term Liabilities**

A summary of changes in long-term liabilities for the year ended June 30, 2013 is as follows:

	<u>General</u>	<u>Landfill</u>		<u>Net</u>	
	<u>Obligation</u>	<u>Closure and</u>		<u>OPEB</u>	
	<u>Capital loan</u>	<u>Postclosure</u>	<u>Compensated</u>	<u>Liability</u>	<u>Total</u>
	<u>Notes</u>	<u>Care Costs</u>	<u>Absences</u>		
Balance beginning of year	\$ 1,536,504	- *	334,535	194,327	2,065,366
Increases	-	5,000	259,849	24,471	289,320
Decreases	241,504	-	268,167	6,198	515,869
Balance end of year	<u>\$ 1,295,000</u>	<u>5,000</u>	<u>326,217</u>	<u>212,600</u>	<u>1,838,817</u>
Due within one year	<u>\$ 205,000</u>	<u>-</u>	<u>253,080</u>	<u>-</u>	<u>458,080</u>

\* Amount has been restated to remove accrued landfill closure and postclosure care costs.

**General Obligation Capital Loan Notes**

A summary of the County’s June 30, 2013 general obligation capital loan note indebtedness is as follows:

Year Ending June 30,	Courthouse Improvements Series 2009 Issued Sept 15, 2009			Voting System and Capital Improvements Series 2012A Issued Apr 4, 2012			Total		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest	Principal	Interest	Total
2014	2.50%	\$ 145,000	3,625	2.00%	\$ 60,000	23,000	205,000	26,625	231,625
2015		-	-	2.00	210,000	21,800	210,000	21,800	231,800
2016		-	-	2.00	215,000	17,600	215,000	17,600	232,600
2017		-	-	2.00	220,000	13,300	220,000	13,300	233,300
2018		-	-	2.00	220,000	8,900	220,000	8,900	228,900
2019		-	-	2.00	225,000	4,500	225,000	4,500	229,500
Total		\$ 145,000	3,625		\$ 1,150,000	89,100	1,295,000	92,725	1,387,725

During the year ended June 30, 2013, the County retired \$195,000 of notes and amortized premium of \$46,504.

**(7) Pension and Retirement Benefits**

The County contributes to the Iowa Public Employees’ Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Most regular plan members are required to contribute 5.78% of their annual covered salary and the County is required to contribute 8.67% of covered salary. Certain employees in special risk occupations and the County contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The County’s contributions to IPERS for the years ended June 30, 2013, 2012 and 2011 were \$357,914, \$387,762 and \$344,541, respectively, equal to the required contributions for each year.

**(8) Other Postemployment Benefits (OPEB)**

Plan Description – The County operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. There are 78 active and 2 retired members in the plan. Retired participants must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a partially self-funded medical plan administered by Wellmark. Retirees under age 65 pay the entire premium for the medical/prescription drug benefits, which results in an implicit rate subsidy and an OPEB liability.

Funding Policy – The contribution requirements of plan members are established and may be amended by the County. The County currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation – The County’s annual OPEB cost is calculated based on the annual required contribution (ARC) of the County, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding which, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the County’s annual OPEB cost for the year ended June 30, 2013, the amount actually contributed to the plan and changes in the County’s net OPEB obligation:

Annual required contribution	\$ 27,616
Interest on net OPEB obligation	8,785
Adjustment to annual required contribution	<u>(11,930)</u>
Annual OPEB cost	24,471
Contributions made	<u>(6,198)</u>
Increase in net OPEB obligation	18,273
Net OPEB obligation beginning of year	<u>194,327</u>
Net OPEB obligation end of year	<u>\$ 212,600</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2013.

For the year ended June 30, 2013, the County contributed \$6,198 to the medical plan. Plan members eligible for benefits contributed \$8,470, or 58% of the premium costs.

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation are summarized as follows:

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 67,184	7.0%	\$ 129,551
2012	66,325	2.3	194,327
2013	24,431	25.3	212,600

Funded Status and Funding Progress – As of January 1, 2013, the most recent actuarial valuation date for the period July 1, 2012 through June 30, 2013, the actuarial accrued liability was \$225,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$225,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$3,874,000 and the ratio of the UAAL to covered payroll was 5.8%. As of June 30, 2013, there were no trust fund assets.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for the Retiree Health Plan, presented as Required Supplementary Information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the January 1, 2013 actuarial valuation date, the unit credit actuarial cost method was used. The actuarial assumptions include a 4.5% discount rate based on the County's funding policy. The projected annual medical trend rate is 7%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 1% each year until reaching the 5% ultimate trend rate. An inflation rate of 3% is assumed for the purpose of this computation.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2010 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2010.

Projected claim costs of the medical plan range from \$626 for a single retiree to \$1,302 per month for retirees and their spouse who are less than age 65. The salary increase rate was assumed to be 3% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

#### **(9) Risk Management**

The County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 679 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

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

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's contributions to the Pool for the year ended June 30, 2013 were \$160,608.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured in an amount not to exceed \$2,650,000 per claim. For members requiring specific coverage from \$3,000,000 to \$15,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location, with excess coverage reinsured by Lexington Insurance Company.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2013, no liability has been recorded in the County's financial statements. As of June 30, 2013, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their casualty capital contributions. If a member withdraws after the sixth year, the member is refunded 100% of its casualty capital contributions. However, the refund is reduced by the amount of capital distributions previously received by the withdrawing member and an amount equal to the annual casualty operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

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

#### **(10) Employee Health Insurance Plan**

The County, in conjunction with the City of Fairfield, Iowa, and other organizations entered into an agreement as authorized in Chapter 28E of the Code of Iowa for health insurance which is funded through employer and employee contributions. The counties, cities, and the other participating organizations are contingently liable with respect to medical claims made by the participants in the plan. Employee Benefit Systems/Cobra Administrator (EBS) provides a service designed to administer compliance requirements. All claims handling procedures are performed by an independent claims administrator. Settled claims have not exceeded the plan coverage during any of the past three years.

The cash balance of the Henry County Health Care Plan was \$572,463 at June 30, 2013.

**(11) Lessor Operating Leases**

The County leases farm ground. The following is a schedule by year of minimum future rentals on these operating leases as of June 30, 2013:

<u>Year ending June 30,</u>	<u>Amount</u>
2014	\$ 7,084
2015	3,542
Total	<u>\$ 10,626</u>

**(12) Closure and Postclosure Care Cost**

The County established a Citizens Convenient Center in March 2013. The closure and postclosure care costs have been estimated at \$5,000. The County has established a Special Revenue, Solid Waste Fund to set aside \$5,000 to cover the estimated cost. A liability for \$5,000 has been reported for these costs in the Statement of Net Position.

**(13) Henry County Industrial Development Corporation**

Henry County Industrial Development Corporation (HCIDC) borrowed \$500,000 from Access Energy for the purpose of building a 50,000 square foot speculative building. As part of a joint support agreement, the County committed to guarantee repayment of the loan if the building does not sell within four years of construction. The County is responsible for payments of \$15,625 in calendar years 2013 through 2017. No interest is to be paid on the contract. During fiscal year 2013, the County made the first guaranteed payment of \$15,625 due to the building not selling within four years of construction.

**(14) Prior Period Restatements**

For the year ended June 30, 2013, beginning net position of the Statement of Activities and the beginning fund balances on the Statement of Revenues, Expenses and Changes in Fund Balances for the following funds increased to include cash held by the County's health plan trustee not previously reported.

The Statement of Position was also restated to remove \$174,000 of accrued landfill closure and postclosure care costs which are recognized and funded by Great River Regional Waste Authority. The restatement is as follows:

	<u>Balances</u> <u>June 30, 2012,</u> <u>as previously</u> <u>reported</u>	<u>Change of balances</u> <u>for cash held by</u> <u>Health Plan Trustee</u>	<u>Change for</u> <u>closure and</u> <u>postclosure</u> <u>care costs</u>	<u>Balances</u> <u>July 1, 2012,</u> <u>as restated</u>
Governmental activities	\$ 32,641,866	507,779	174,000	33,323,645
General Fund	2,430,592	322,016	-	2,752,608
Special Revenue Funds:				
Mental Health	575,051	17,414	-	592,465
Secondary Roads	2,280,938	160,183	-	2,441,121
Community Betterment	622,943	8,166	-	631,109

**Henry County**

**Required Supplementary Information**

Henry 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, 2013

	Actual	Budgeted Amounts		Final to
		Original	Final	Net Variance
<b>Receipts:</b>				
Property and other county tax	\$ 7,648,038	7,694,707	7,694,707	(46,669)
Interest and penalty on property tax	71,051	53,300	53,300	17,751
Intergovernmental	3,744,158	3,580,792	3,676,088	68,070
Licenses and permits	45,846	51,550	51,550	(5,704)
Charges for service	598,242	465,670	529,520	68,722
Use of money and property	60,003	57,067	57,067	2,936
Miscellaneous	117,620	42,250	116,954	666
Total receipts	12,284,958	11,945,336	12,179,186	105,772
<b>Disbursements:</b>				
Public safety and legal services	2,936,416	3,287,127	3,318,127	381,711
Physical health and social services	906,154	1,000,506	1,077,700	171,546
Mental health	770,262	1,123,817	1,133,817	363,555
County environment and education	967,056	979,310	1,057,110	90,054
Roads and transportation	3,709,616	4,000,000	4,000,000	290,384
Governmental services to residents	523,793	616,108	616,108	92,315
Administration	1,144,910	1,221,381	1,250,981	106,071
Non-program	51,714	46,800	50,800	(914)
Debt service	230,821	238,138	238,138	7,317
Capital projects	956,340	1,901,200	1,901,200	944,860
Total disbursements	12,197,082	14,414,387	14,643,981	2,446,899
Deficiency of receipts under disbursements	87,876	(2,469,051)	(2,464,795)	2,552,671
Other financing sources, net	247,595	1,220,000	1,467,000	(1,219,405)
Excess of receipts and other financing sources over disbursements and other financing uses	335,471	(1,249,051)	(997,795)	1,333,266
Balance beginning of year, as restated	7,926,108	4,976,336	4,976,336	2,949,772
Balance end of year	\$ 8,261,579	3,727,285	3,978,541	4,283,038

See accompanying independent auditor's report.

---

Henry County

Budgetary Comparison Schedule - Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2013

	Governmental Funds		
	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis
Revenues	\$ 12,284,958	(32,079)	12,252,879
Expenditures	12,197,082	(360,022)	11,837,060
Net	87,876	327,943	415,819
Other financing sources, net	247,595	(595)	247,000
Beginning fund balances, as restated	7,926,108	(7,615)	7,918,493
Ending fund balances	\$ 8,261,579	319,733	8,581,312

See accompanying independent auditor's report.

Henry County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2013

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

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, 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, one budget amendment increased budgeted disbursements by \$229,594. The budget amendment is reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2013, disbursements exceeded the amount budgeted in the non-program function.

---

Henry County

Schedule of Funding Progress for the  
Retiree Health Plan  
(In Thousands)

Required Supplementary Information

---

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	Jan. 1, 2010	-	\$ 533	533	0.00%	\$ 4,262	12.51%
2011	Jan. 1, 2010	-	533	533	0.00	4,400	12.12
2012	Jan. 1, 2010	-	533	533	0.00	4,273	12.49
2013	Jan. 1, 2013	-	225	225	0.00	3,874	5.80

See Note 8 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

See accompanying independent auditor's report.

**Henry County**

## **Supplementary Information**

Henry County  
Combining Balance Sheet  
Nonmajor Governmental Funds

June 30, 2013

	Special		
	Resource Enhancement and Protection	Community Betterment	Sheriff's Foreiture
	<b>Assets</b>		
Cash and pooled investments	\$ 86,188	556,541	12,462
Cash held by health plan trustee	-	8,703	-
Receivables:			
Property tax			
Delinquent	-	-	-
Succeeding year	-	-	-
Accounts	-	231	-
Accrued interest	17	-	-
Due from other governments	-	129,038	-
<b>Total assets</b>	<b>\$ 86,205</b>	<b>694,513</b>	<b>12,462</b>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 36,963	30,565	-
Deferred revenue			
Succeeding year property tax	-	-	-
Other	-	-	-
Total liabilities	<u>36,963</u>	<u>30,565</u>	<u>-</u>
Fund balances:			
Restricted for:			
Debt service	-	-	-
Capital projects	-	-	-
Health benefits	-	8,703	-
Other purposes	49,242	655,245	12,462
Total fund balances	<u>49,242</u>	<u>663,948</u>	<u>12,462</u>
<b>Total liabilities and fund balances</b>	<b>\$ 86,205</b>	<b>694,513</b>	<b>12,462</b>

See accompanying independent auditor's report.

Revenue						
County Recorder's Records Management	Attorney's Forfeiture	Solid Waste	Debt Service	Capital Projects	Total	
20,826	7,011	5,000	30,599	714,146	1,432,773	
-	-	-	-	-	8,703	
-	-	-	547	-	547	
-	-	-	230,630	-	230,630	
281	-	-	-	-	512	
2	-	-	-	4	23	
-	-	-	-	-	129,038	
21,109	7,011	5,000	261,776	714,150	1,802,226	
-	-	-	-	-	67,528	
-	-	-	230,630	-	230,630	
-	-	-	547	-	547	
-	-	-	231,177	-	298,705	
-	-	-	30,599	-	30,599	
-	-	-	-	714,150	714,150	
-	-	-	-	-	8,703	
21,109	7,011	5,000	-	-	750,069	
21,109	7,011	5,000	30,599	714,150	1,503,521	
21,109	7,011	5,000	261,776	714,150	1,802,226	

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

Year ended June 30, 2013

	Special		
	Resource Enhancement and Protection	Community Betterment	Sheriff's Forfeiture
Revenues:			
Property tax and other county tax	\$ -	-	-
Local option sales tax	-	777,807	-
Intergovernmental	11,712	20,943	-
Licenses and permits	-	40,352	-
Charges for service	-	4,517	-
Use of money and property	240	-	1
Miscellaneous	-	-	538
Total revenues	11,952	843,619	539
Expenditures:			
Operating:			
Public safety and legal services	-	-	353
Physical health and social services	-	215,018	-
County environment and education	48,448	437,702	-
Roads and transportation	-	74,372	-
Governmental services to residents	-	-	-
Administration	-	28,318	-
Non-program	-	15,000	-
Debt service	-	-	-
Capital projects	-	40,370	-
Total expenditures	48,448	810,780	353
Excess (deficiency) of revenues over (under) expenditures	(36,496)	32,839	186
Other financing source:			
Operating transfer in	-	-	-
Changes in fund balances	(36,496)	32,839	186
Fund balances beginning of year, as restated	85,738	631,109	12,276
Fund balances end of year	\$ 49,242	663,948	12,462

See accompanying independent auditor's report.

Revenue						
County Recorder's Records Management	Attorney's Forfeiture	Solid Waste	Debt Service	Capital Projects	Total	
-	-	-	228,303	-	228,303	
-	-	-	-	-	777,807	
-	-	5,000	9,941	-	47,596	
-	-	-	-	-	40,352	
3,659	-	-	-	-	8,176	
26	1	-	11	92	371	
-	1,701	-	-	-	2,239	
3,685	1,702	5,000	238,255	92	1,104,844	
-	490	-	-	-	843	
-	-	-	-	-	215,018	
-	-	-	-	-	486,150	
-	-	-	-	-	74,372	
3,159	-	-	-	-	3,159	
-	-	-	-	-	28,318	
-	-	-	-	-	15,000	
-	-	-	230,821	-	230,821	
-	-	-	-	589,691	630,061	
3,159	490	-	230,821	589,691	1,683,742	
526	1,212	5,000	7,434	(589,599)	(578,898)	
-	-	-	-	184,527	184,527	
526	1,212	5,000	7,434	(405,072)	(394,371)	
20,583	5,799	-	23,165	1,119,222	1,897,892	
21,109	7,011	5,000	30,599	714,150	1,503,521	

Henry County  
 Combining Schedule of Fiduciary Assets and Liabilities  
 Agency Funds

June 30, 2013

	County Offices	Agricultural Extension Education	County Assessor	Schools
<b>Assets</b>				
Cash and pooled investments:				
County Treasurer	\$ -	2,751	666,180	152,723
Other County officials	38,742	-	-	-
Cash held by health plan trustee	-	-	22,599	-
Receivables:				
Property tax:				
Delinquent	-	509	1,203	26,709
Succeeding year	-	212,665	502,851	11,068,329
Accounts	205	-	-	-
Accrued interest	-	-	-	-
Due from other governments	-	-	-	-
<b>Total assets</b>	<b>\$ 38,947</b>	<b>215,925</b>	<b>1,192,833</b>	<b>11,247,761</b>
<b>Liabilities</b>				
Liabilities:				
Accounts payable	\$ -	-	24,328	-
Due to other governments	18,800	215,925	1,147,942	11,247,761
Trusts payable	20,147	-	-	-
Compensated absences	-	-	20,563	-
<b>Total liabilities</b>	<b>\$ 38,947</b>	<b>215,925</b>	<b>1,192,833</b>	<b>11,247,761</b>

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Other	Total
9,742	66,368	1,692	433	383,666	316,088	1,599,643
-	-	-	-	-	-	38,742
-	-	-	-	-	8,703	31,302
1,803	11,025	614	-	-	1,618	43,481
758,856	4,295,743	139,266	-	-	752,043	17,729,753
-	-	-	-	-	60,648	60,853
-	-	-	-	-	25	25
-	-	-	-	-	1	1
770,401	4,373,136	141,572	433	383,666	1,139,126	19,503,800
-	-	-	-	-	110,702	135,030
770,401	4,373,136	141,572	433	383,666	1,028,424	19,328,060
-	-	-	-	-	-	20,147
-	-	-	-	-	-	20,563
770,401	4,373,136	141,572	433	383,666	1,139,126	19,503,800

Henry County  
 Combining Schedule of Changes in Fiduciary Assets and Liabilities  
 Agency Funds

Year ended June 30, 2013

	County Offices	Agricultural Extension Education	County Assessor	Schools
<b>Assets and Liabilities</b>				
Balances beginning of year	\$ 35,491	212,447	1,032,235	11,341,354
Additions:				
Property and other county tax	-	204,009	488,360	10,789,596
E911 surcharge	-	-	-	-
State tax credits	-	8,825	21,893	495,902
Drivers license fees	-	-	-	-
Office fees and collections	463,516	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	247,085	-	-	-
Miscellaneous	-	-	21,847	-
Total additions	710,601	212,834	532,100	11,285,498
Deductions:				
Agency remittances:				
To other funds	279,301	-	-	-
To other governments	212,975	209,356	371,502	11,379,091
Trusts paid out	214,869	-	-	-
Total deductions	707,145	209,356	371,502	11,379,091
Balances end of year	\$ 38,947	215,925	1,192,833	11,247,761

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Other	Total
739,925	4,254,571	140,747	2,100	424,956	967,216	19,151,042
742,739	4,911,226	135,954	-	-	731,782	18,003,666
-	-	-	-	-	189,982	189,982
31,222	168,905	7,307	-	-	30,746	764,800
-	-	-	-	94,423	-	94,423
-	-	-	-	-	-	463,516
-	-	-	-	5,007,047	-	5,007,047
-	-	-	8,520	-	-	8,520
-	-	-	-	-	-	247,085
-	-	-	-	-	807,298	829,145
773,961	5,080,131	143,261	8,520	5,101,470	1,759,808	25,608,184
-	-	-	-	199,268	-	478,569
743,485	4,961,566	142,436	10,187	4,943,492	1,587,898	24,561,988
-	-	-	-	-	-	214,869
743,485	4,961,566	142,436	10,187	5,142,760	1,587,898	25,255,426
770,401	4,373,136	141,572	433	383,666	1,139,126	19,503,800

Henry County

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

For the Last Ten Years

	2013	2012	2011	2010
<b>Revenues:</b>				
Property and other county tax	\$ 6,865,372	6,589,097	6,387,875	5,864,095
Local option sales tax	777,807	855,385	786,898	694,627
Interest and penalty on property tax	70,778	63,445	64,650	63,679
Intergovernmental	3,754,964	4,877,919	4,415,362	4,670,875
Licenses and permits	45,897	48,269	44,619	50,018
Charges for service	577,826	1,469,369	1,295,656	1,189,127
Use of money and property	59,925	69,677	79,991	104,846
Miscellaneous	100,310	149,318	326,901	122,718
<b>Total</b>	<b>\$ 12,252,879</b>	<b>14,122,479</b>	<b>13,401,952</b>	<b>12,759,985</b>
<b>Expenditures:</b>				
<b>Operating:</b>				
Public safety and legal services	\$ 2,913,511	2,874,447	2,950,196	2,925,965
Physical health and social services	919,124	822,782	821,232	952,628
Mental health	440,919	2,854,242	2,722,452	2,475,959
County environment and education	996,801	951,092	913,793	878,687
Roads and transportation	3,789,962	3,227,979	4,105,833	3,302,125
Governmental services to residents	522,693	539,799	506,262	559,357
Administration	1,126,226	1,146,849	1,098,594	1,066,405
Non-program	53,964	83,149	52,737	42,763
Debt service	230,821	149,927	146,317	149,694
Capital projects	843,576	553,572	758,917	978,207
<b>Total</b>	<b>\$ 11,837,597</b>	<b>13,203,838</b>	<b>14,076,333</b>	<b>13,331,790</b>

See accompanying independent auditor's report.

Modified Accrual Basis					
2009	2008	2007	2006	2005	2004
5,625,596	5,346,817	5,287,941	4,982,817	4,601,265	3,736,759
802,726	909,448	742,401	761,258	734,914	642,822
54,712	54,613	51,707	63,175	61,687	65,711
4,003,348	4,007,676	4,166,574	4,112,669	4,233,685	4,536,342
37,609	37,977	26,286	21,983	2,455	425
1,133,216	1,079,923	1,085,987	1,036,887	869,478	787,498
175,992	334,003	376,657	283,310	122,278	82,151
100,872	123,047	90,461	63,533	84,596	448,703
11,934,071	11,893,504	11,828,014	11,325,632	10,710,358	10,300,411
2,692,807	2,589,262	2,390,505	2,337,219	2,075,236	1,985,029
678,995	636,927	575,500	457,298	1,116,744	674,561
2,420,009	2,417,058	2,174,543	2,176,930	2,079,953	1,938,760
992,234	817,454	723,004	812,685	352,567	630,331
3,377,196	3,771,448	3,078,274	3,124,499	2,949,915	2,640,111
506,155	464,697	471,210	899,360	759,414	675,291
1,061,437	977,325	958,748	959,002	1,044,354	1,410,046
37,043	4,677	20,317	22,692	48,558	85,211
151,271	146,672	143,927	-	-	-
136,039	567,491	845,593	543,658	329,616	555,458
12,053,186	12,393,011	11,381,621	11,333,343	10,756,357	10,594,798

**Henry County**



OFFICE OF AUDITOR OF STATE  
STATE OF IOWA

State Capitol Building  
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

Mary Mosiman, CPA  
Auditor of State

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

To the Officials of Henry County:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Henry County, Iowa, as of and for the year ended June 30, 2013, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 8, 2014.

Internal Control Over Financial Reporting

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

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

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

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

### Compliance and Other Matters

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2013 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.

### Henry County's Responses to the Findings

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

### Purpose of this Report

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

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

  
MARY MOSIMAN, CPA  
Auditor of State

  
WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

April 8, 2014

Henry County  
Schedule of Findings  
Year ended June 30, 2013

**Findings Related to the Financial Statements:**

**INTERNAL CONTROL DEFICIENCIES:**

(A) Segregation of Duties – During our review of internal control, the existing procedures are evaluated in order to determine incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and, therefore, maximizes the accuracy of the County's financial statements. Generally, one or two individuals in the offices identified may have control over the following areas for which no compensating controls exist:

	Applicable Offices
(1) All incoming mail is not opened by an employee who is not authorized to make entries to the accounting records.	Treasurer, Sheriff , Recorder and Secondary Roads
(2) Generally, one individual may have control over collecting, depositing, posting, maintaining receivable records and daily reconciling of receipts for which no compensating controls exist. A listing of mail receipts is not prepared.	Treasurer, Sheriff, Secondary Roads and Recorder
(3) Bank accounts were not reconciled by an individual who does not sign checks, handle or record cash. Bank reconciliations were not reviewed periodically by an independent person for propriety.  Bank reconciliations were not prepared by the County Conservation Department.	Treasurer, Sheriff, Recorder and Conservation
(4) The person responsible for the detailed record keeping of investments is also the custodian of the investments. Investments are not periodically inspected or reconciled to investment records by an independent person and an independent verification of interest earnings is not performed.	Treasurer
(5) Depositing, reconciling and recording of receipts is done by the custodian of the change funds for which no compensating controls exist.	Treasurer
(6) Cash drawers are shared by employees.	Treasurer
(7) Daily cash reconciliations for motor vehicle and driver's licenses are not reviewed and approved by an independent person for propriety.	Treasurer

Henry County

Schedule of Findings

Year ended June 30, 2013

- |   |           |
|---|-----------|
| (8) All individuals in tax, motor vehicle and driver's license have the ability to void receipts in Solutions/Arts (DOT system), including individuals who perform daily balancing. No report is maintained or review performed over voided receipts. | Treasurer |
| (9) Individuals who perform daily balancing have the ability to void receipts in the PCS system. No report is maintained or review performed over voided receipts.  | Sheriff   |
| (10) Receipts were not protected in a secure location.  | Sheriff   |
| (11) No report is maintained or review performed over voided receipts.  | Recorder  |

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, each official should review the operating procedures of their office to obtain the maximum internal control possible under the circumstances. The official should utilize current personnel, including elected officials and personnel from other County offices, to provide additional control through review of financial transactions, reconciliations and reports. Such reviews should be performed by independent persons to the extent possible and the reviews should be documented by the signature or initials of the reviewer and the date of the review.

Responses –

Treasurer – Our best effort will be made to properly segregate all duties.

Sheriff – We will review our procedures in order to segregate duties and ensure receipts are protected in a secure location. We will review and sign bank reconciliations.

Recorder – There are only three individuals working in the Recorder's office. We will do our best to segregate the deposit preparation functions and accounting functions. We will prepare a voided receipts report and have it reviewed by an independent person.

Secondary Roads – We will try to follow up with creating receipt list to better track incoming receipts. With limited staff, segregation of duties is difficult.

Conservation – We have begun the bank reconciliation process and will do our best to reconcile monthly.

Conclusions – Treasurer and Sheriff responses accepted. Other responses acknowledged. Each office should utilize current personnel, including elected officials and personnel from other offices, to provide additional control through review of financial transactions, reconciliations and reports.

Henry County

Schedule of Findings

Year ended June 30, 2013

- (B) Financial Reporting – During the audit, we identified material grant proceeds were incorrectly credited to the Special Revenue, Secondary Roads Fund rather than the Capital Projects Fund. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

Recommendation – The County should implement procedures to ensure all grants are identified and properly included in the County’s financial statements.

Responses:

Auditor – We are trying to implement project codes for all grants received to track the receivables as well as the payables. We are working to keep our capital assets updated. The correction has already been made on the incorrect deposit of grant funds to the Secondary Roads Fund instead of the Capital Projects Fund.

Secondary Roads – We will continue to report grant proceeds in the correct fund per County policy.

Conclusions – Responses accepted.

- (C) Undeposited Collections from the County Sheriff’s Office – The County Sheriff’s Office collects a number of fees. The Office collects payment for room and board, garnishments and fingerprinting. In addition, fees are collected from individuals who apply for gun permits or who have their picture taken for photo identification cards. Fees are also collected for obtaining copies of driving records.

The fees collected are recorded in a software program which tracks the type of fee collected each day. The cash and checks collected during the day for the various fees are kept in a centralized location which was not always secured. On a weekly basis, the cash and checks are balanced to the collections recorded in the software system and prepared for deposit to the bank. Procedures performed by the Sheriff’s Office indicated collections had not been deposited. As a result of the discrepancies, the County Sheriff requested a review of the Sheriff’s Office collections. We reviewed and verified procedures performed by the Sheriff’s Office.

By comparing the supporting documentation to information recorded in the software system, collections for gun permits, driving records and room and board were identified which were collected but were not properly deposited. Specifically, gun permits were not properly deposited on December 21, 2012 and on 11 days between June 25, 2013 and August 23, 2013. The undeposited gun permit fees total \$435.

The supporting documentation for photo identification card fees did not agree with the amount recorded in the software system for 3 days between June 17, 2013 and June 20, 2013. The undeposited photo identification cards fees total \$15.

In addition, one room and board receipt for \$60 and two driving records receipts totaling \$14 were not deposited to the Sheriff’s Office bank accounts as of December 31, 2013.

In total, undeposited collections of \$524 were identified.

Henry County

Schedule of Findings

Year ended June 30, 2013

Recommendation – We realize segregation of duties is difficult with a limited number of staff. However, duties related to collections should be segregated to the extent possible. Cash and checks should be maintained in a secure location. Reconciliations should be prepared for gun permits and photo id cards, driving records and room and board and an independent person should compare the actual collections to original source documents.

Response – We are in the process of working on written procedures for all collections and to establish a secure location for cash and checks. All cash and check collections have a source document which will be verified by the civil office (two people) and spot checked by an independent person.

Conclusion – Response accepted.

- (D) Check Endorsement – Checks are not restrictively endorsed upon receipt in the Secondary Roads office.

Recommendation – A restrictive endorsement (for deposit only) should be placed on all checks when received.

Response – We will endorse all checks when they are received, including checks made payable to the Henry County Treasurer.

Conclusion – Response accepted.

- (E) Accounting Policies and Procedures Manual – The Sheriff does not have an accounting policies and procedures manual.

Recommendation – An accounting policies and procedures manual should be developed to provide the following benefits:

- (1) Aid in training additional or replacement staff.
- (2) Help achieve uniformity in accounting and in the application of policies and procedures.
- (3) Save supervisory time by recording decisions so they will not have to be made each time the same, or a similar, situation arises.
- (4) Ensure Sheriff accounts are appropriately utilized.

Response – We will work on developing policies and procedures.

Conclusion – Response accepted.

- (F) County Sheriff's Jail Room and Board – Policies and procedures have not been developed to account for room and board receipts. Reconciliations are not performed between the amounts billed and the amounts collected.

Henry County

Schedule of Findings

Year ended June 30, 2013

Recommendation – The Sheriff’s Office should establish policies and procedures which address room and board duties to ensure all receipts are properly collected, recorded and deposited. Also, an independent person should perform a reconciliation of inmate census data to billings, collections and deposits to ensure all sentenced inmates are properly billed for room and board and fees collected are properly deposited.

Response – We will work to develop policies and procedures.

Conclusion – Response accepted.

- (G) Computer Systems – During our review of internal control, the existing control activities in the County’s computer systems were evaluated in order to determine activities, from a control standpoint, were designed to provide reasonable assurance regarding the achievement of objectives in the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations. The following weakness in the County’s computer systems was noted:

The County does not have a written disaster recovery plan and does not require back-up tapes be stored off site daily in a fire proof vault or safe.

Recommendation – The County should develop written policies addressing the above item in order to improve the County’s control over its computer systems. A written disaster recovery plan should be developed and back-up tapes should be stored off site daily in a fireproof vault or safe.

Response – We do not have our plan in writing but will work on it for the future.

Conclusion – Response accepted.

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

Henry County  
Schedule of Findings  
Year ended June 30, 2013

**Other Findings Related to Required Statutory Reporting:**

- (1) Certified Budget – Disbursements during the year ended June 30, 2013 exceeded the amount budgeted in the non-program function.

Recommendation – The budget should have been amended in accordance with Chapter 331.435 of the Code of Iowa before disbursements were allowed to exceed the budget.

Response – The budget will be amended in the future before disbursements exceed budgeted amounts.

Conclusion – Response accepted.

- (2) Questionable Expenditures – No disbursements we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 since the public benefits to be derived have not been clearly documented were noted.

- (3) Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

- (4) Business Transactions – Business transactions between the County and County officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Garry Allender, husband of Deputy Assessor, owner of Allender’s Lawn Service	Mowing	\$ 5,703
Rachelle Fear, niece of Sheriff, Civil Clerk	Matron duty	180
Tom Jacobsmeier, Secondary Roads Supervisor, Independent contractor	Sandblasting	1,494
Rick Sywassink, husband of Deputy Sheriff	Medical exam	1,245
Derek Wellington, IT coordinator, owner of Wellington Electric, Inc.	Electrical work	12,152
Blance Wittmer, wife of Sheriff	Matron duty	328

In accordance with Chapter 331.342 of the Code of Iowa, the transactions with Garry Allender and Wellington Electric, Inc. do not appear to represent conflicts of interest since the transactions were entered into through competitive bidding.

The remainder of the transactions do not appear to represent a conflict of interest in accordance with Chapter 331.342(2)(j) of the Code of Iowa since the transactions did not exceed \$1,500 during the fiscal year.

Henry County

Schedule of Findings

Year ended June 30, 2013

- (5) 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 coverage is adequate for current operations.
- (6) Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

The Board did not publish actual gross salaries as required by Chapter 349.18 of the Code of Iowa.

Recommendation – The Board of Supervisors should publish actual gross salaries to comply with Chapter 349.18 of the Code of Iowa.

Response – We will publish actual salaries in the future in accordance with the Code of Iowa.

Conclusion – Response accepted.

- (7) Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County’s investment policy were noted.
- (8) Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- (9) County Extension Office – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an Extension Council separate and distinct from County operations and, consequently, is not included in Exhibits A or B.

Disbursements during the year ended June 30, 2013 for the County Extension Office did not exceed the amount budgeted.

Bank reconciliations were not reviewed by an independent person for propriety. Collections were not deposited in a timely manner.

Recommendation – We realize segregation of duties is difficult with a limited number of employees. However, the Office should review operating procedures to obtain the maximum internal control possible under the circumstances. The Office should utilize current personnel, including Council members, to provide additional control through review of financial transactions, reconciliations and reports. Collections should be deposited in a timely manner.

Response – We will try to segregate duties to the best of our ability.

Conclusion – Response accepted.

Henry County

Schedule of Findings

Year ended June 30, 2013

- (10) Emergency Management Budget – Disbursements during the year ended June 30, 2013 exceeded the amount budgeted.

Recommendation – In the future, the budget should have been amended by the Emergency Management Commission in accordance with Chapter 24.9 of the Code of Iowa before disbursements were allowed to exceed the budget.

Response – In the future, the Commission will amend the budget in accordance with Chapter 24.9 of the Code of Iowa before the budget is exceeded.

Conclusion – Response accepted.

- (11) Electronic Check Retention – Chapter 554D.114 of the Code of Iowa allows the County to retain cancelled checks in an electronic format and requires retention in this manner to include an image of both the front and back of each cancelled check. The image of the back of each cancelled check was not obtained by the County Sheriff.

Recommendation – The County Sheriff should obtain and retain an image of the front and back of each cancelled check as required.

Response – We have requested copies of the backs of checks from our bank as of January 17, 2014.

Conclusion – Response accepted.

Henry County

Staff

This audit was performed by:

Deborah J. Moser, CPA, Manager  
Selina V. Johnson, CPA, Senior Auditor II  
Tyler L. Carter, Staff Auditor  
Jessica L. Barloon, Staff Auditor  
Zack D. Kubik, Assistant Auditor



Andrew E. Nielsen, CPA  
Deputy Auditor of State