

IOWA COUNTY

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

JUNE 30, 2015

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IOWA COUNTY

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
(Before January 2015)		
Kevin Heitshusen	Board of Supervisors	Jan. 2015
Vicki Pope	Board of Supervisors	Jan. 2015
Jenifer Mein	Board of Supervisors (Resigned November 2014)	
John Gahring	Board of Supervisors (Appointed November 2014)	Jan. 2015
Dale Walter	Board of Supervisors	Jan. 2017
Ray Garringer	Board of Supervisors	Jan. 2017
Kristen Miller	County Auditor	Jan. 2017
Michelle Sims	County Treasurer	Jan. 2015
Sherry Pope	County Recorder	Jan. 2015
Robert Rotter	County Sheriff	Jan. 2017
Timothy McMeen	County Attorney	Jan. 2015
Linda Griggs	County Assessor	Jan. 2016
(After January 2015)		
Dale Walter	Board of Supervisors	Jan. 2017
Ray Garringer	Board of Supervisors	Jan. 2017
Kevin Heitshusen	Board of Supervisors	Jan. 2019
Vicki Pope	Board of Supervisors	Jan. 2019
John Gahring	Board of Supervisors	Jan. 2019
Kristin Miller	County Auditor (Resigned March 2015)	
Jessica Stohlmann	County Auditor (Appointed March 2015)	Jan. 2017
Michelle Sims	County Treasurer	Jan. 2019
Sherry Pope	County Recorder	Jan. 2019
Robert Rotter	County Sheriff	Jan. 2017
Timothy McMeen	County Attorney	Jan. 2019
Linda Griggs	County Assessor	Jan. 2016

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INDEPENDENT AUDITOR'S REPORT

To the Officials of Iowa 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 Iowa County, Iowa, as of and for the year ended June 30, 2015, 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, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and Chapter 11 of the Code of Iowa. 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 Iowa County as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in Note 14 to the financial statements, Iowa County adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27. Our opinions are not modified with respect to this matter.

Other*Required Supplementary Information*

U.S. generally accepted accounting principles require the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County Contributions and the Schedule of Funding Progress for the Retiree Health Plan on pages 52 through 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The County has omitted the Management's Discussion and Analysis that U.S. generally accepted accounting principles require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Iowa County's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2014 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 6, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, 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 as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 1, 2016 on our consideration of Iowa County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. 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 Iowa County's internal control over financial reporting and compliance.

Hunt & Associates, P.C.

Basic Financial Statements

IOWA COUNTY
STATEMENT OF NET POSITION
June 30, 2015

	<u>Governmental Activities</u>
Assets	
Cash and pooled investments	\$ 7,313,343
Investment held by fiscal agent	1,917,077
Receivables:	
Property tax:	
Delinquent	26,252
Succeeding year	7,730,000
Interest and penalty on property tax	27,618
Accounts	132,289
Accrued interest	10,550
Drainage assessments	561,857
Due from other governments	801,190
Inventories	313,660
Prepaid expenses	58,458
Capital assets, net of accumulated depreciation (note 4)	<u>24,621,139</u>
 Total assets	 <u>43,513,433</u>
Deferred Outflows of Resources	
Pension related deferred outflows	<u>670,992</u>
Liabilities	
Accounts payable	425,796
Salaries and benefits payable	188,669
Due to other governments (note 5)	2,932
Accrued interest payable	12,674
Long-term liabilities (note 6):	
Portion due or payable within one year:	
General obligation bonds	2,149,000
Drainage warrants	30,000
Compensated absences	569,303
Portion due or payable after one year:	
General obligation bonds	2,040,000
Drainage warrants	140,000
Real estate contract	30,000
Compensated absences	63,256
Net pension liability	2,267,714
Net OPEB liability	<u>92,000</u>
 Total liabilities	 <u>8,011,344</u>

IOWA COUNTY
STATEMENT OF NET POSITION
June 30, 2015

	<u>Governmental Activities</u>
Deferred Inflows of Resources	
Unavailable property tax revenue	\$ 7,730,000
Pension related deferred inflows	<u>1,298,217</u>
Total deferred inflows of resources	<u>9,028,217</u>
Net Position	
Net investment in capital assets	22,513,239
Restricted for:	
Cemetery levy purposes	18,473
Conservation purposes	267,857
Prisoner room and board	8,323
Mental health purposes	1,700,353
Secondary roads purposes	1,865,130
Other purposes	540,261
Unrestricted	<u>231,228</u>
Total net position	<u>\$ 27,144,864</u>

See notes to financial statements.

IOWA COUNTY
STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants and Contributions	
Governmental Activities:					
Public safety and legal services	\$ 4,219,415	\$ 1,357,068	\$ 21,450	\$ -	\$ (2,840,897)
Physical health and social services	1,035,447	396,698	391,706	-	(247,043)
Mental health	507,417	-	152,970	-	(354,447)
County environment and education	873,602	160,244	74,026	-	(639,332)
Roads and transportation	7,093,049	62,809	3,720,147	330,243	(2,979,850)
Government services to residents	558,882	337,774	77	-	(221,031)
Administration	1,596,545	262,029	16,147	-	(1,318,369)
Non-program	79,957	561,950	10,163	-	492,156
Interest on long-term debt	165,233	-	13,880	-	(151,353)
Total	\$ 16,129,547	\$ 3,138,572	\$ 4,400,566	\$ 330,243	(8,260,166)
General Revenues:					
Property and other county tax levied for:					
General purposes					6,742,351
Debt service					309,201
Penalty and interest on property tax					37,915
State tax credits					437,978
Hotel/motel tax					123,730
Local option sales and services tax					1,484,620
Unrestricted investment earnings					54,847
Miscellaneous					7,095
Total general revenues					9,197,737
Change in net position					937,571
Net position beginning of year, as restated (note 14)					26,207,293
Net position end of year					\$ 27,144,864

See notes to financial statements.

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IOWA COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Assets				
Cash and pooled investments	\$ 2,499,786	\$ 1,719,681	\$ 262,057	\$ 2,541,073
Investment held by fiscal agent	-	-	-	-
Receivables:				
Property tax:				
Delinquent	16,210	2,391	6,568	-
Succeeding year	4,656,000	687,000	2,011,000	-
Interest and penalty on property tax	27,618	-	-	-
Accounts	126,008	-	157	5,805
Accrued interest	4,188	-	-	-
Drainage assessments	-	-	-	-
Due from other governments	87,303	20,286	-	664,552
Inventories	-	-	-	313,660
Prepaid expenses	58,458	-	-	-
 Total assets	 <u>\$ 7,475,571</u>	 <u>\$ 2,429,358</u>	 <u>\$ 2,279,782</u>	 <u>\$ 3,525,090</u>

<u>Debt Service</u>	<u>Nonmajor</u>	<u>Total</u>
\$ 95,133	\$ 195,613	\$ 7,313,343
1,917,077	-	1,917,077
1,083	-	26,252
309,000	67,000	7,730,000
-	-	27,618
-	319	132,289
6,362	-	10,550
-	561,857	561,857
-	29,049	801,190
-	-	313,660
-	-	58,458
<u>\$ 2,328,655</u>	<u>\$ 853,838</u>	<u>\$ 18,892,294</u>

IOWA COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 121,819	\$ 891	\$ -	\$ 299,298
Salaries and benefits payable	99,490	-	-	89,179
Due to other governments (note 5)	1,315	1,272	-	345
Total liabilities	222,624	2,163	-	388,822
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	4,656,000	687,000	2,011,000	-
Other	31,780	1,343	2,502	25,924
Total deferred inflows of resources	4,687,780	688,343	2,013,502	25,924
Fund balances:				
Nonspendable:				
Inventories	-	-	-	313,660
Prepaid expenses	58,458	-	-	-
Restricted for:				
Supplemental levy purposes	671,163	-	-	-
Cemetery levy purposes	18,441	-	-	-
Prisoner room and board	8,323	-	-	-
Mental health purposes	-	1,738,852	-	-
Rural services purposes	-	-	266,280	-
Secondary roads purposes	-	-	-	2,796,684
Conservation purposes	267,754	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Other purposes	-	-	-	-
Assigned for:				
County Attorney	65,772	-	-	-
County Sheriff	8,207	-	-	-
Unassigned	1,467,049	-	-	-
Total fund balances	2,565,167	1,738,852	266,280	3,110,344
Total liabilities, deferred inflows of resources and fund balances	\$ 7,475,571	\$ 2,429,358	\$ 2,279,782	\$ 3,525,090

See notes to financial statements.

<u>Debt Service</u>	<u>Nonmajor</u>	<u>Total</u>
\$ -	\$ 3,788	\$ 425,796
-	-	188,669
-	-	2,932
-	3,788	617,397
<hr/>		
309,000	67,000	7,730,000
634	561,857	624,040
309,634	628,857	8,354,040
<hr/>		
-	-	313,660
-	-	58,458
-	-	671,163
-	-	18,441
-	-	8,323
-	-	1,738,852
-	-	266,280
-	-	2,796,684
-	103	267,857
2,019,021	-	2,019,021
-	71,100	71,100
-	149,990	149,990
-	-	65,772
-	-	8,207
-	-	1,467,049
2,019,021	221,193	9,920,857
<hr/>		
<u>\$ 2,328,655</u>	<u>\$ 853,838</u>	<u>\$ 18,892,294</u>

IOWA COUNTY

RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

June 30, 2015

Total fund balances of governmental funds		\$	9,920,857
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 as assets in the governmental funds. The cost of assets is \$47,766,467 and the accumulated depreciation/amortization is \$23,145,328.			24,621,139
Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds.			624,040
Accrued interest payable on long-term liabilities is not due and payable in the current year and, therefore, is not reported as a liability in the governmental funds.			(12,674)
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:			
	Deferred outflows of resources	\$	670,992
	Deferred inflows of resources		<u>(1,298,217)</u>
			(627,225)
Long-term liabilities, including bonds payable, drainage warrants payable, real estate contract payable, compensated absences, net pension liability, and net OPEB liability are not due and payable in the current year and, therefore, are not reported as liabilities in the governmental funds.			<u>(7,381,273)</u>
Net position of governmental activities		\$	<u><u>27,144,864</u></u>

See notes to financial statements.

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IOWA COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 Year Ended June 30, 2015

	General	Special Revenue		
		Mental Health	Rural Services	Secondary Roads
Revenues:				
Property and other County tax	\$ 4,010,657	\$ 693,083	\$ 1,987,602	\$ 1,484,620
Interest and penalty on property tax	51,229	-	-	-
Intergovernmental	1,077,942	198,873	113,192	4,018,003
Licenses and permits	20,135	-	-	7,925
Charges for service	1,800,940	-	-	-
Use of money and property	252,268	-	-	6,463
Miscellaneous	166,997	-	157	54,884
Total revenues	7,380,168	891,956	2,100,951	5,571,895
Expenditures:				
Operating:				
Public safety and legal services	3,656,476	-	580,445	-
Physical health and social services	1,111,195	-	-	-
Mental health	-	516,213	-	-
County environment and education	494,809	-	215,324	-
Roads and transportation	-	-	-	6,523,556
Government services to residents	587,402	-	-	-
Administration	1,473,210	-	3,589	-
Non-program	682	-	-	-
Debt service	32,400	-	-	-
Capital projects	-	-	-	783,359
Total expenditures	7,356,174	516,213	799,358	7,306,915
Excess (deficiency) of revenues over (under) expenditures	23,994	375,743	1,301,593	(1,735,020)
Other financing sources (uses):				
Interfund transfers in (note 3)	58,711	-	-	1,315,000
Interfund transfers out (note 3)	-	-	(1,315,000)	-
Drainage warrants issued	-	-	-	-
Total other financing sources (uses)	58,711	-	(1,315,000)	1,315,000

	<u>Debt Service</u>	<u>Nonmajor</u>	<u>Total</u>
\$	309,398	\$ 178,883	\$ 8,664,243
	-	-	51,229
	20,135	24,433	5,452,578
	-	-	28,060
	-	4,333	1,805,273
	12,740	2,007	273,478
	-	49,470	271,508
	<u>342,273</u>	<u>259,126</u>	<u>16,546,369</u>
	-	618	4,237,539
	-	-	1,111,195
	-	-	516,213
	-	160,069	870,202
	-	-	6,523,556
	-	2,660	590,062
	-	-	1,476,799
	-	113,358	114,040
	325,997	488,024	846,421
	-	-	783,359
	<u>325,997</u>	<u>764,729</u>	<u>17,069,386</u>
	16,276	(505,603)	(523,017)
	-	-	1,373,711
	-	(58,711)	(1,373,711)
	-	20,000	20,000
	<u>-</u>	<u>(38,711)</u>	<u>20,000</u>

IOWA COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 Year Ended June 30, 2015

		Special Revenue		
	General	Mental Health	Rural Services	Secondary Roads
Net change in fund balances	\$ 82,705	\$ 375,743	\$ (13,407)	\$ (420,020)
Fund balances beginning of year	<u>2,482,462</u>	<u>1,363,109</u>	<u>279,687</u>	<u>3,530,364</u>
Fund balances end of year	<u><u>\$ 2,565,167</u></u>	<u><u>\$ 1,738,852</u></u>	<u><u>\$ 266,280</u></u>	<u><u>\$ 3,110,344</u></u>

See notes to financial statements.

<u>Debt</u> <u>Service</u>	<u>Nonmajor</u>	<u>Total</u>
\$ 16,276	\$ (544,314)	\$ (503,017)
<u>2,002,745</u>	<u>765,507</u>	<u>10,423,874</u>
<u>\$ 2,019,021</u>	<u>\$ 221,193</u>	<u>\$ 9,920,857</u>

IOWA COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

Net change in fund balances - total governmental funds \$ (503,017)

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

Governmental funds report capital outlays as expenditures while
governmental activities report depreciation/amortization expense to allocate
those expenditures over the life of the assets. The amount of capital outlay
expenditures, contributed capital assets and depreciation/amortization expense
in the current year are as follows:

Capital outlay expenditures	\$ 1,626,641	
Depreciation/amortization expense	<u>(1,769,829)</u>	(143,188)

Because some revenues will not be collected for several months after the
County's year end, they are not considered available revenues and are
recognized as deferred inflows of resources in the governmental funds,
as follows:

Property tax	(4,341)	
Other	<u>525,090</u>	520,749

Proceeds from issuing long-term liabilities provide current financial resources
to governmental funds, but issuing debt increases long-term liabilities in the
Statement of Net Position and does not affect the Statement of Activities. (20,000)

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. 712,000

The current year County employer share of IPERS contributions are
reported as expenditures in the governmental funds, but are reported
as a deferred outflow of resources in the Statement of Net Position. 68,363

IOWA COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

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	\$	36,986	
Pension expense		276,407	
Net OPEB liability		(14,000)	
Interest on long-term debt		<u>3,271</u>	\$ <u>302,664</u>

Change in net position of governmental activities \$ 937,571

See notes to financial statements.

IOWA COUNTY
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 June 30, 2015

Assets	
Cash and pooled investments:	
County Treasurer	\$ 1,368,873
Other County officials	75,080
Receivables:	
Property tax:	
Delinquent	62,454
Succeeding year	17,368,000
Accounts	18,432
Due from other governments	51,188
Prepaid expenses	<u>10,650</u>
Total assets	<u><u>\$ 18,954,677</u></u>
Liabilities	
Accounts payable	\$ 36,757
Salaries and benefits payable	2,182
Due to other governments (note 5)	18,828,487
Trusts payable	38,316
Compensated absences	<u>48,935</u>
Total liabilities	<u><u>\$ 18,954,677</u></u>

See notes to financial statements.

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 1. Summary of Significant Accounting Policies

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

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

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

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

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

IOWA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation

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

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

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

Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

Unrestricted net position consists of net position not meeting the definition of the two preceding categories. Unrestricted net position is often subject to 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 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 main 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 that are 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.

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Special Revenue (continued):

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 and the Special Revenue, Rural Services Funds and other revenues to be used for secondary road construction and maintenance.

The Debt Service Fund is used for the accumulation of resources for and the payment of principal, interest and fiscal charges on long-term debt.

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. Agency Funds are custodial in nature, assets equal liabilities, and do not involve measurement of results of operations.

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 period 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.

IOWA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

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 liabilities 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, in that order.

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity

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

Cash, Pooled Investments and Cash Equivalents – 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.

Investment Held By Fiscal Agent – The County has investments raised through the sale of crossover refunding bonds issued by the County that are held in an escrow trust by the County's fiscal agent. The investments in the escrow trust are stated at fair value.

IOWA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity
(continued)

Property Tax Receivable - Property tax receivable is recognized in the governmental funds on the levy or lien date, which is the date that 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.

The property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1 ½% per month penalty for delinquent payments; is based on January 1, 2013 assessed property valuations; is for the tax accrual period July 1, 2014 through June 30, 2015 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2014.

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

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

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.

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity (continued)

Capital Assets – Capital assets, which include property, equipment and vehicles, and infrastructure assets (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 or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs 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 one year.

Asset Class	Amount
Intangibles	\$ 25,000
Infrastructure	100,000
Land, buildings and improvements	25,000
Equipment and vehicles	5,000

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

Asset Class	Estimated Useful Lives (In Years)
Intangibles	15
Buildings	25-50
Improvements other than buildings	10-50
Infrastructure	10-65
Equipment	3-20
Vehicles	5-15

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

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

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

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity (continued)

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

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

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, proprietary fund and fiduciary fund financial statements. A liability for these amounts is recorded in the 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, 2015. The compensated absences liability attributable to the governmental activities will be paid primarily by the General, Mental Health, Rural Services and Secondary Roads Funds.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivables that will not be recognized until the year for which it is levied and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

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.

IOWA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity (continued)

Fund Equity (continued)

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 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, 2015, disbursements exceeded the amount budgeted in the debt service function. Departmental disbursements did not exceed the amounts appropriated.

Note 2. Cash and Pooled Investments

The County's deposits in banks at June 30, 2015 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.

At June 30, 2015, the County had investments in U.S. Treasury Note State and Local Government Series securities which are valued at a fair value of \$1,923,439.

Credit Risk – The investment in U.S. Treasury Note State and Local Government Series securities is not subject to credit rating.

IOWA COUNTY
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2015

Note 3. Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2015 is as follows:

Transfer to	Transfer from	Amount
Special Revenue: Secondary Roads	Special Revenue: Rural Services	\$ 1,315,000
General Fund	County Attorney Collections	<u>58,711</u>
		<u>\$ 1,373,711</u>

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

The transfer to the General Basic Fund from the Special Revenue Fund, County Attorney Collections was a corrective transfer.

IOWA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 4. Capital Assets

Capital assets activity for the year ended June 30, 2015 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 1,225,273	\$ -	\$ -	\$ 1,225,273
Construction in progress	-	412,804	-	412,804
Total capital assets not being depreciated/amortized	<u>1,225,273</u>	<u>412,804</u>	<u>-</u>	<u>1,638,077</u>
Capital assets being depreciated/amortized:				
Intangibles	220,380	-	-	220,380
Buildings	8,702,332	208,656	-	8,910,988
Improvements other than buildings	145,371	34,944	-	180,315
Machinery and equipment	7,952,281	678,165	257,993	8,372,453
Infrastructure	28,152,182	292,072	-	28,444,254
Total capital assets being depreciated/amortized	<u>45,172,546</u>	<u>1,213,837</u>	<u>257,993</u>	<u>46,128,390</u>
Less accumulated depreciation/amortization for:				
Intangibles	69,976	14,692	-	84,668
Buildings	3,517,292	228,680	-	3,745,972
Improvements other than buildings	12,511	14,132	-	26,643
Machinery and equipment	6,388,795	602,718	257,993	6,733,520
Infrastructure	11,644,918	909,607	-	12,554,525
Total accumulated depreciation/amortization	<u>21,633,492</u>	<u>1,769,829</u>	<u>257,993</u>	<u>23,145,328</u>
Total capital assets being depreciated/amortized, net	<u>23,539,054</u>	<u>(555,992)</u>	<u>-</u>	<u>22,983,062</u>
Governmental activities capital assets, net	<u>\$ 24,764,327</u>	<u>\$ (143,188)</u>	<u>\$ -</u>	<u>\$ 24,621,139</u>

IOWA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 4. Capital Assets (continued)

Depreciation/amortization expense was charged to the following functions:

Governmental activities:		
Public safety and legal services	\$	202,913
Physical health and social services		2,224
Mental health		875
County environment and education		74,918
Roads and transportation		1,343,389
Administration		<u>145,510</u>
Total depreciation/amortization expense - governmental activities	\$	<u><u>1,769,829</u></u>

Note 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, 2015 is as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
General	Services	\$ 1,315
Special Revenue:		
	Mental Health	1,272
	Secondary Roads	<u>345</u>
Total for governmental funds		\$ <u><u>2,932</u></u>
Agency:		
County Assessor	Collections	\$ 732,710
Schools		12,289,028
Area Schools		904,944
Corporations		3,477,080
Townships		312,254
Auto License and Use Tax		439,356
All Other		<u>673,115</u>
Total for agency funds		\$ <u><u>18,828,487</u></u>

IOWA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 6. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2015 is as follows:

	Balance Beginning of Year, as Restated	Additions	Reductions	Balance End of Year	Due Within One Year
General Obligation County Purpose Bonds	\$ 96,000	\$ -	\$ 47,000	\$ 49,000	\$ 49,000
General Obligation County Law Enforcement Center Bonds	2,285,000	-	185,000	2,100,000	2,100,000
General Obligation Refunding Bonds	2,040,000	-	-	2,040,000	-
Urban Renewal Tax Increment Revenue Bonds	420,000	-	420,000	-	-
Drainage Warrants	180,000	20,000	30,000	170,000	30,000
Real Estate Contract	60,000	-	30,000	30,000	-
Compensated Absences	669,545	565,605	602,591	632,559	569,303
Net pension liability	3,697,280	-	1,429,566	2,267,714	-
Net OPEB liability	78,000	14,000	-	92,000	-
Total	\$ 9,525,825	\$ 599,605	\$ 2,744,157	\$ 7,381,273	\$ 2,748,303

General Obligation County Purpose Bonds

Details of the County's June 30, 2015 general obligation County purpose bonded indebtedness are as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2016	3.22 %	\$ 49,000	\$ 1,578	\$ 50,578

General Obligation County Law Enforcement Center Bonds

Details of the County's June 30, 2015 general obligation County law enforcement center bonded indebtedness are as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2016	4.35-5.15 %	\$ 2,100,000	\$ 100,380	\$ 2,200,380

IOWA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 6. Long-Term Liabilities (continued)

General Obligation Refunding Bonds

Details of the County's June 30, 2015 general obligation refunding bonded indebtedness are as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2016	0.90 %	\$ -	\$ 31,097	\$ 31,097
2017	0.90	245,000	31,097	276,097
2018	1.10	245,000	28,893	273,893
2019	1.30	250,000	26,198	276,198
2020	1.45	250,000	22,947	272,947
2021	1.65	255,000	19,323	274,323
2022	1.80	260,000	15,115	275,115
2023	1.90	265,000	10,435	275,435
2024	2.00	270,000	5,400	275,400
		<u>\$ 2,040,000</u>	<u>\$ 190,505</u>	<u>\$ 2,230,505</u>

Drainage Warrants

During the year ended June 30, 2015 the County issued \$20,000 in drainage warrants dated February 13, 2015 with an interest rate of 2.2%. The drainage warrants are payable through the year ending June 30, 2021.

Details of the County's June 30, 2015 drainage warrant indebtedness are as follows:

Year Ending June 30,	Issue dated January 4, 2008			
	Interest Rates	Principal	Interest	Total
2016	4.45 %	\$ 30,000	\$ 1,335	\$ 31,335
Year Ending June 30,	Issue dated October 17, 2008			
	Interest Rates	Principal	Interest	Total
2016	4.95 %	\$ -	\$ 2,482	\$ 2,482
2017	4.95	-	2,475	2,475
2018	4.95	30,000	1,735	31,735
2019	4.95	20,000	496	20,496
Subtotal		<u>50,000</u>	<u>7,188</u>	<u>57,188</u>

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 6. Long-Term Liabilities (continued)

Drainage Warrants (continued)

Issue dated March 30, 2012				
Year Ending June 30,	Interest Rates	Principal	Interest	Total
2016	3.45-3.70 %	\$ -	\$ 1,060	\$ 1,060
2017	3.45-3.70	-	1,060	1,060
2018	3.45-3.70	-	1,060	1,060
2019	3.45-3.70	30,000	1,060	31,060
Subtotal		30,000	4,240	34,240
Issue dated June 27, 2014				
Year Ending June 30,	Interest Rates	Principal	Interest	Total
2016	1.75-2.25 %	\$ -	\$ 840	\$ 840
2017	1.75-2.25	-	840	840
2018	1.75-2.25	10,000	840	10,840
2019	2.00-2.25	-	665	665
2020	2.00-2.25	30,000	665	30,665
Subtotal		40,000	3,850	43,850
Issue dated February 13, 2015				
Year Ending June 30,	Interest Rates	Principal	Interest	Total
2016	2.20 %	\$ -	\$ 440	\$ 440
2017	2.20	-	441	441
2018	2.20	-	440	440
2019	2.20	-	440	440
2020	2.20	-	440	440
2021	2.20	20,000	441	20,441
Subtotal		20,000	2,642	22,642
Total		\$ 170,000	\$ 19,255	\$ 189,255

IOWA COUNTY
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2015

Note 6. Long-Term Liabilities (continued)

Real Estate Contract

On July 2, 2012, the County finalized a real estate contract totaling \$150,000. The County paid \$30,000 in earnest money on May 11, 2012 to hold the property for contract approval. The balance of \$120,000 will be paid in 4 annual payments of \$30,000 plus interest at a 4% annual percentage rate. The County made the real estate contract payment due during the year ending June 30, 2016 in June of 2015.

Details of the County's June 30, 2015 real estate contract indebtedness are as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2016	4.00 %	\$ -	\$ -	-
2017	4.00	30,000	1,200	31,200
		<u>\$ 30,000</u>	<u>\$ 1,200</u>	<u>\$ 31,200</u>

Note 7. Pension Plan

Plan Description – IPERS membership is mandatory for employees of the County, except for those covered by another retirement system. Employees of the County are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employee's Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

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

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

Sheriff and deputy and protection occupation members may retire at normal retirement age which is generally at age 55. Sheriff and deputy and protection occupation members may retire anytime after reaching age 50 with 22 or more years of covered employment.

IOWA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 7. Pension Plan (continued)

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

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

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

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

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

Contributions – Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the County contributed 8.93 percent for a total rate of 14.88 percent. Sheriff and deputy members and the County both contributed 9.88 percent of pay for a total rate of 19.76 percent. Protection occupation members contributed 6.76 percent of pay and the County contributed 10.14 percent for a total rate of 16.90 percent.

The County's contributions to IPERS for the year ended June 30, 2015 were \$525,934.

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 7. Pension Plan (continued)

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2015, the County reported a liability of \$2,267,714 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County’s collective proportion of the net pension liability was based on the County’s share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the County’s collective proportion was 0.057180 which was a decrease of 0.007213 from its collective proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$181,164. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 25,908	\$ 34,573
Changes of assumptions	105,205	32,176
Net difference between projected and actual earnings on pension plan investments	-	1,231,468
Changes in proportion and differences between County contributions and proportionate share of contributions	13,945	-
County contributions subsequent to the measurement date	<u>525,934</u>	-
Total	<u>\$ 670,992</u>	<u>\$ 1,298,217</u>

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 7. Pension Plan (continued)

\$525,934 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2016	\$ (289,571)
2017	(289,571)
2018	(289,571)
2019	(289,571)
2020	<u>5,125</u>
	<u>\$ (1,153,159)</u>

Actuarial Assumptions – The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2014)	3.00 percent per annum
Salary increase (effective June 30, 2010)	4.00 to 17.00 percent, average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.50 percent, compounded annually, net of investment expense, including inflation

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 7. Pension Plan (continued)

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
US equity	23%	6.31
Non US equity	15%	6.76
Private equity	13%	11.34
Real estate	8%	3.52
Core plus fixed income	28%	2.06
Credit opportunities	5%	3.67
TIPS	5%	1.92
Other real assets	2%	6.27
Cash	1%	(0.69)
Total	100%	

Discount Rate – The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the County will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
County's proportionate share of the net pension liability (asset)	\$ 5,079,618	\$ 2,267,714	\$ (103,393)

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 7. Pension Plan (continued)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS’ website at www.ipers.org.

Note 8. Other Postemployment Benefits (OPEB)

Plan Description – The County operates a single-employer health benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. There are 103 active and 6 retired members in the plan.

The medical/prescription drug coverage is provided by Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit 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 that, 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, 2015, the amount actually contributed to the plan and changes in the County’s net OPEB obligation:

Annual required contribution	\$ 41,953
Interest on net OPEB obligation	3,120
Adjustment to annual required contribution	<u>(2,981)</u>
Annual OPEB cost	42,092
Contributions made	<u>(28,092)</u>
Increase in net OPEB obligation	14,000
Net OPEB obligation beginning of year	<u>78,000</u>
Net OPEB obligation end of year	<u>\$ 92,000</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. 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, 2015.

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 8. Other Postemployment Benefits (OPEB) (continued)

For the year ended June 30, 2015, the County contributed \$28,092 to the medical plan.

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
2013	\$ 42,024	66.7%	\$ 64,000
2014	42,067	66.7%	78,000
2015	42,092	66.7%	92,000

Funded Status and Funding Progress – As of July 1, 2012, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was \$389,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$389,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$5,479,000 and the ratio of the UAAL to covered payroll was 7.1%. As of June 30, 2015, 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, presented as required supplementary information in the section following the Notes to Financial Statements, will present 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 July 1, 2012 actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.0% discount rate based on the County's funding policy. The projected annual medical trend rate is 8.5%. The ultimate medical trend rate is 5.0%. The medical trend rate is reduced .5% each year until reaching the 5.0% ultimate trend rate.

Mortality rates are from the RP2000 Mortality Tables. The salary increase rate was assumed to be 3.0% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 9. Urban Renewal Development Agreement

During the year ended June 30, 2011, the County entered into an urban renewal agreement to enable local economic expansion. The County has agreed to make economic development tax increment payments to a local manufacturer of \$.85 on each incremental tax dollar up to a maximum total of \$5,000,000. Starting December 1, 2012, the payments will be made semi-annually through June 1, 2030, or until the total economic incentive of \$5,000,000 has been met. The project is for the expansion of the local manufacturer's office and factory facilities in return for retention of at least 400 full time or equivalent jobs in the local area. The County is unable to prepare an amortization schedule for development payments due to the fluctuations inherent in property valuations and tax collections. The County paid \$55,319 in development payments to the manufacturer for the year ended June 30, 2015. Payments made on the agreement through June 30, 2015 total \$123,420, with a balance remaining of \$4,876,580.

Note 10. Risk Management

Iowa County is a member in 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 727 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 estimated for the fiscal year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of total current members' basis rates.

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, reinsurance premiums, losses and loss expenses for property risks estimated for the fiscal year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's annual contributions to the Pool for the year ended June 30, 2015 were \$253,319.

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 through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location. Property risks exceeding \$250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate.

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 10. Risk Management (continued)

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, property loss or series of claims or losses exceeds the amount of risk-sharing protection provided by the County's risk-sharing certificate, or in the event that a casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any excess risk-sharing recoveries, then payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred.

The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2015, no liability has been recorded in the County's financial statements. As of June 30, 2015, 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 claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Upon withdrawal, a formula set forth in the Pool's intergovernmental contract with its members is applied to determine the amount (if any) to be refunded to the withdrawing member.

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$5,000,000 and \$20,000, (\$50,000 for County Treasurer) 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.

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 11. Lease Purchase Agreements – Emergency Management Services

On January 17, 2013, Emergency Management Services, reported as an Agency Fund of the County, entered into a lease-purchase agreement for an emergency vehicle and communication radios. The lease calls for five annual payments of \$8,701 and has an interest rate of 4.622 percent.

On May 19, 2014, Iowa County Emergency Management Services entered into a lease-purchase agreement for the acquisition of a fire-rescue vehicle. The lease calls for an initial payment of \$22,000, followed by nine annual payments of \$24,629. The lease has an annual percentage rate of 4.117%.

Details of the lease purchase indebtedness for Iowa County Emergency Management Services at June 30, 2015 are as follows:

Year Ending June 30,	Interest Rates	Emergency Vehicle and Communication Radios		Interest Rates	Fire-Rescue Vehicle	
		Principal	Interest		Principal	Interest
2016	4.622 %	\$ 7,598	\$ 1,103	4.117 %	\$ 17,066	\$ 7,563
2017	4.622	7,949	752	4.117	17,776	6,853
2018	4.622	8,316	385	4.117	18,516	6,113
2019	-	-	-	4.117	19,286	5,343
2020	-	-	-	4.117	20,088	4,541
2021	-	-	-	4.117	20,924	3,705
2022	-	-	-	4.117	21,794	2,835
2023	-	-	-	4.117	22,701	1,928
2024	-	-	-	4.117	23,646	983
		<u>\$ 23,863</u>	<u>\$ 2,240</u>		<u>\$ 181,797</u>	<u>\$ 39,864</u>

Total	
Principal	Interest
\$ 24,664	\$ 8,666
25,725	7,605
26,832	6,498
19,286	5,343
20,088	4,541
20,924	3,705
21,794	2,835
22,701	1,928
23,646	983
<u>\$ 205,660</u>	<u>\$ 42,104</u>

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 12. Construction Commitment

The County has entered into a contract totaling \$418,012 for bridge construction. As of June 30, 2015, costs of \$412,804 have been incurred against the contract. The balance remaining at June 30, 2015 of \$5,208 will be paid as work on the project progresses.

Note 13. Iowa County Financial Information Included in the Mental Health/Disability Services of the East Central Region

Mental Health/Disability Services of the East Central Region, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa which became effective July 10, 2014, included the following member counties: Benton County, Bremer County, Buchanan County, Delaware County, Dubuque County, Johnson County, Jones County, Linn County and Iowa County. The financial activity of Iowa County's Special Revenue, Mental Health Fund is included in the Mental Health/Disability Services of the East Central Region for the year ended June 30, 2015 as follows:

Revenue:		
Property and other county tax		\$ 693,083
Intergovernmental revenues:		
State tax credits	\$ 45,269	
Payments from MHDS fiscal agent to MHDS regional members	146,857	
Social services block grant	6,113	
Other intergovernmental revenues	634	198,873
Total revenues		<u>891,956</u>
Expenditures:		
Services to persons with:		
Mental illness	1,458	
Intellectual disability	2,239	3,697
General administration:		
Direct administration	139,626	
Purchased administration	2,345	
Distribution to regional fiscal agent	370,545	512,516
Total expenditures		<u>516,213</u>
Excess of revenues over expenditures		375,743
Fund balance beginning of year		<u>1,363,109</u>
Fund balance end of year		<u>\$ 1,738,852</u>

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 14. Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27 was implemented during fiscal year 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, GASB No. 68 requires a state or local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by Governmental Accounting Standards Board Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Beginning net position for governmental activities was restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date, as follows:

	<u>Governmental Activities</u>
Net position June 30, 2014, as previously reported	\$ 29,447,002
Net pension liability at June 30, 2014	(3,697,280)
Deferred outflows of resources related to prior year contributions made after the June 30, 2013 measurement date	<u>457,571</u>
Net position July 1, 2014, as restated	<u>\$ 26,207,293</u>

Note 15. Contingent Liability

The County is involved in one ongoing lawsuit. The County's insurance carrier is affording coverage for this lawsuit.

Required Supplementary Information

IOWA 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, 2015

	Actual	Less Funds not Required to be Budgeted	Net
RECEIPTS:			
Property and other County tax	\$ 8,662,741	\$ -	\$ 8,662,741
Interest and penalty on property tax	46,346	-	46,346
Intergovernmental	5,138,524	8,406	5,130,118
Licenses and permits	29,985	-	29,985
Charges for service	1,748,261	-	1,748,261
Use of money and property	326,056	50,106	275,950
Miscellaneous	209,343	-	209,343
Total receipts	<u>16,161,256</u>	<u>58,512</u>	<u>16,102,744</u>
DISBURSEMENTS:			
Public safety and legal services	4,221,306	-	4,221,306
Physical health and social services	1,094,672	-	1,094,672
Mental health	534,613	-	534,613
County environment and education	883,199	-	883,199
Roads and transportation	6,293,036	-	6,293,036
Government services to residents	594,129	-	594,129
Administration	1,462,306	-	1,462,306
Non-program	114,090	113,408	682
Debt service	846,421	2,184	844,237
Capital projects	783,625	-	783,625
Total disbursements	<u>16,827,397</u>	<u>115,592</u>	<u>16,711,805</u>
Excess (deficiency) of receipts over (under) disbursements	(666,141)	(57,080)	(609,061)
Other financing sources, net	<u>20,000</u>	<u>20,000</u>	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(646,141)	(37,080)	(609,061)
Balance beginning of year	<u>9,876,561</u>	<u>80,796</u>	<u>9,795,765</u>
Balance end of year	<u>\$ 9,230,420</u>	<u>\$ 43,716</u>	<u>\$ 9,186,704</u>

See accompanying independent auditor's report.

Budgeted Amounts		Final to Net Variance
Original	Final	
\$ 8,787,115	\$ 8,787,115	\$ (124,374)
36,250	36,250	10,096
4,997,342	5,037,017	93,101
29,350	29,350	635
1,027,190	1,677,190	71,071
359,951	359,951	(84,001)
159,750	235,750	(26,407)
<u>15,396,948</u>	<u>16,162,623</u>	<u>(59,879)</u>
3,451,009	4,370,878	149,572
1,102,102	1,159,565	64,893
729,235	943,430	408,817
1,064,713	1,074,713	191,514
6,302,000	6,302,000	8,964
712,790	736,106	141,977
1,528,039	1,597,292	134,986
86,600	236,600	235,918
843,590	843,590	(647)
1,170,000	1,170,000	386,375
<u>16,990,078</u>	<u>18,434,174</u>	<u>1,722,369</u>
(1,593,130)	(2,271,551)	1,662,490
-	-	-
(1,593,130)	(2,271,551)	1,662,490
<u>8,105,299</u>	<u>8,105,299</u>	<u>1,690,466</u>
<u>\$ 6,512,169</u>	<u>\$ 5,833,748</u>	<u>\$ 3,352,956</u>

IOWA COUNTY

Budgetary Comparison Schedule – Budget to GAAP Reconciliation
 Required Supplementary Information
 Year Ended June 30, 2015

	Governmental Funds		
	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis
Revenues	\$ 16,161,256	\$ 385,113	\$ 16,546,369
Expenditures	16,827,397	241,989	17,069,386
Net	(666,141)	143,124	(523,017)
Other financing sources, net	20,000	-	20,000
Beginning fund balances	9,876,561	547,313	10,423,874
Ending fund balances	<u>\$ 9,230,420</u>	<u>\$ 690,437</u>	<u>\$ 9,920,857</u>

See accompanying independent auditor's report.

IOWA COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING
June 30, 2015

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except blended component units, internal service funds, and agency funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, government services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, three budget amendments increased budgeted disbursements by \$1,444,096. These budget amendments are reflected in the final budgeted amounts.

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

During the year ended June 30, 2015, disbursements exceeded the amount budgeted in the debt service function. Departmental disbursements did not exceed the amounts appropriated.

IOWA COUNTY

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

Iowa Public Employee's Retirement System
Last Fiscal Year*
(In Thousands)

Required Supplementary Information

	<u>2015</u>
County's collective proportion of the net pension liability	0.057180%
County's proportionate share of the net pension liability	\$ 2,268
County's covered-employee payroll	\$ 5,760
County's collective proportionate share of the net pension liability as a percentage of its covered-employee payroll	39.38%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

* The amounts presented for each fiscal year were determined as of June 30.

See accompanying independent auditor's report.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

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IOWA COUNTY

Schedule of the County's Contributions

Iowa Public Employee's Retirement System
Last Ten Fiscal Years
(In Thousands)

Required Supplementary Information

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Statutorily required contribution	\$ 526	\$ 458	\$ 429	\$ 387
Contributions in relation to the statutorily required contribution	<u>(526)</u>	<u>(458)</u>	<u>(429)</u>	<u>(387)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 5,760	\$ 4,999	\$ 4,790	\$ 4,575
Contributions as a percentage of covered-employee payroll	9.13%	9.16%	8.96%	8.46%

See accompanying independent auditor's report.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 331	\$ 314	\$ 289	\$ 266	\$ 246	\$ 231
<u>(331)</u>	<u>(314)</u>	<u>(289)</u>	<u>(266)</u>	<u>(246)</u>	<u>(231)</u>
<u>\$ -</u>					
\$ 4,449	\$ 4,501	\$ 4,356	\$ 4,227	\$ 4,005	\$ 3,800
7.44%	6.98%	6.63%	6.29%	6.14%	6.08%

IOWA COUNTY

Notes to Required Supplementary Information – Pension Liability

Year Ended June 30, 2015

Changes of benefit terms:

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

In 2008, legislative action transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer, instead of the previous 40-60 split.

Changes of assumptions:

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

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

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

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

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25 percent to 4.00 percent.
- Lowered the inflation assumption from 3.50 percent to 3.25 percent.
- Lowered disability rates for sheriffs and deputies and protection occupation members.

IOWA COUNTY

SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
(In Thousands)

Required Supplementary Information
Year Ended June 30, 2015

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	July 1, 2009	\$ -	\$ 127	\$ 127	0.0%	\$ 4,208	3.0%
2011	July 1, 2009	-	127	127	0.0%	4,157	3.1%
2012	July 1, 2009	-	127	127	0.0%	4,306	2.9%
2013	July 1, 2012	-	389	389	0.0%	4,518	8.6%
2014	July 1, 2012	-	389	389	0.0%	4,717	8.2%
2015	July 1, 2012	-	389	389	0.0%	5,479	7.1%

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.

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Supplementary Information

IOWA COUNTY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2015

	Special Revenue			
	County Recorder's Records Management	Drainage Districts	Hotel/ Motel Tax	Resource Enhancement and Protection
Assets				
Cash and pooled investments	\$ 9,305	\$ 43,716	\$ 25,523	\$ 103
Receivables:				
Property tax:				
Succeeding year	-	-	-	-
Accounts	319	-	-	-
Drainage assessments	-	561,857	-	-
Due from other governments	-	1,121	27,928	-
	-	1,121	27,928	-
Total assets	\$ 9,624	\$ 606,694	\$ 53,451	\$ 103
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 3,788	\$ -	\$ -
Deferred inflows of resources:				
Succeeding year property tax	-	-	-	-
Other	-	561,857	-	-
Total deferred inflows of resources	-	561,857	-	-
Fund balances:				
Restricted for:				
Capital projects	-	-	-	-
Conservation purposes	-	-	-	103
Other purposes	9,624	41,049	53,451	-
Total fund balances	9,624	41,049	53,451	103
Total liabilities, deferred inflows of resources and fund balances	\$ 9,624	\$ 606,694	\$ 53,451	\$ 103

See accompanying independent auditor's report.

<u>Tax Increment Financing</u>	<u>County Sheriff Forfeiture</u>	<u>County Attorney Forfeiture</u>	<u>Capital Projects</u>	<u>Total</u>
\$ 2,857	\$ 35,477	\$ 7,532	\$ 71,100	\$ 195,613
67,000	-	-	-	67,000
-	-	-	-	319
-	-	-	-	561,857
-	-	-	-	29,049
<u>\$ 69,857</u>	<u>\$ 35,477</u>	<u>\$ 7,532</u>	<u>\$ 71,100</u>	<u>\$ 853,838</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,788
67,000	-	-	-	67,000
-	-	-	-	561,857
<u>67,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>628,857</u>
-	-	-	71,100	71,100
-	-	-	-	103
2,857	35,477	7,532	-	149,990
<u>2,857</u>	<u>35,477</u>	<u>7,532</u>	<u>71,100</u>	<u>221,193</u>
<u>\$ 69,857</u>	<u>\$ 35,477</u>	<u>\$ 7,532</u>	<u>\$ 71,100</u>	<u>\$ 853,838</u>

IOWA COUNTY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2015

	Special Revenue			
	County Recorder's Records Management	Drainage Districts	Hotel/Motel Tax	Resource Enhancement and Protection
Revenues:				
Property and other County tax	\$ -	\$ -	\$ 123,730	\$ -
Intergovernmental	-	9,527	-	14,740
Charges for service	3,172	-	-	-
Use of money and property	77	636	-	154
Miscellaneous	-	49,470	-	-
Total revenues	<u>3,249</u>	<u>59,633</u>	<u>123,730</u>	<u>14,894</u>
Expenditures:				
Operating:				
Public safety and legal services	-	-	-	-
County environment and education	-	-	71,500	33,250
Government services to residents	2,660	-	-	-
Non-program	-	113,358	-	-
Debt service	-	2,184	50,091	-
Total expenditures	<u>2,660</u>	<u>115,542</u>	<u>121,591</u>	<u>33,250</u>
Excess (deficiency) of revenues over (under) expenditures	589	(55,909)	2,139	(18,356)
Other financing sources (uses):				
Interfund transfers out	-	-	-	-
Drainage warrants issued	-	20,000	-	-
Total other financing sources (uses)	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	589	(35,909)	2,139	(18,356)
Fund balances beginning of year	<u>9,035</u>	<u>76,958</u>	<u>51,312</u>	<u>18,459</u>
Fund balances end of year	<u>\$ 9,624</u>	<u>\$ 41,049</u>	<u>\$ 53,451</u>	<u>\$ 103</u>

See accompanying independent auditor's report.

<u>Tax Increment Financing</u>	<u>County Attorney Collections</u>	<u>County Sheriff Forfeiture</u>	<u>County Attorney Forfeiture</u>	<u>Capital Projects</u>	<u>Total</u>
\$ 55,153	\$ -	\$ -	\$ -	\$ -	178,883
166	-	-	-	-	24,433
-	-	1,161	-	-	4,333
1,140	-	-	-	-	2,007
-	-	-	-	-	49,470
<u>56,459</u>	<u>-</u>	<u>1,161</u>	<u>-</u>	<u>-</u>	<u>259,126</u>
-	-	618	-	-	618
55,319	-	-	-	-	160,069
-	-	-	-	-	2,660
-	-	-	-	-	113,358
435,749	-	-	-	-	488,024
<u>491,068</u>	<u>-</u>	<u>618</u>	<u>-</u>	<u>-</u>	<u>764,729</u>
(434,609)	-	543	-	-	(505,603)
-	(58,711)	-	-	-	(58,711)
-	-	-	-	-	20,000
<u>-</u>	<u>(58,711)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(38,711)</u>
(434,609)	(58,711)	543	-	-	(544,314)
437,466	58,711	34,934	7,532	71,100	765,507
<u>\$ 2,857</u>	<u>\$ -</u>	<u>\$ 35,477</u>	<u>\$ 7,532</u>	<u>\$ 71,100</u>	<u>\$ 221,193</u>

IOWA COUNTY
 COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 June 30, 2015

	County Offices			Agricultural	County
	County Auditor	County Recorder	County Sheriff	Extension Education	Assessor
ASSETS					
Cash and pooled investments:					
County Treasurer	\$ -	\$ -	\$ -	\$ 2,822	\$ 426,960
Other County officials	1,629	26,815	46,636	-	-
Receivables:					
Property tax:					
Delinquent	-	-	-	740	1,096
Succeeding year	-	-	-	213,000	315,000
Accounts	-	-	-	-	-
Due from other governments	-	-	-	-	-
Prepaid expenses	-	-	-	-	10,650
Total assets	\$ <u>1,629</u>	\$ <u>26,815</u>	\$ <u>46,636</u>	\$ <u>216,562</u>	\$ <u>753,706</u>
LIABILITIES					
Accounts payable	\$ -	\$ 13,078	\$ 17,585	\$ -	\$ 995
Salaries and benefits payable	-	-	-	-	2,182
Due to other governments	-	13,737	170	216,562	732,710
Trusts payable	1,629	-	28,881	-	-
Compensated absences	-	-	-	-	17,819
Total liabilities	\$ <u>1,629</u>	\$ <u>26,815</u>	\$ <u>46,636</u>	\$ <u>216,562</u>	\$ <u>753,706</u>

<u>Schools</u>	<u>Area Schools</u>	<u>Corporations</u>	<u>Townships</u>	<u>City Special Assessments</u>	<u>Auto License and Use Tax</u>	<u>Brucellosis and Tuberculosis Eradication</u>
\$ 154,494	\$ 11,837	\$ 59,569	\$ 3,997	\$ 2,876	\$ 439,356	\$ 1,333
-	-	-	-	-	-	-
41,534	3,107	14,511	1,257	-	-	10
12,093,000	890,000	3,403,000	307,000	-	-	3,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 12,289,028</u>	<u>\$ 904,944</u>	<u>\$ 3,477,080</u>	<u>\$ 312,254</u>	<u>\$ 2,876</u>	<u>\$ 439,356</u>	<u>\$ 4,343</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
12,289,028	904,944	3,477,080	312,254	2,876	439,356	4,343
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 12,289,028</u>	<u>\$ 904,944</u>	<u>\$ 3,477,080</u>	<u>\$ 312,254</u>	<u>\$ 2,876</u>	<u>\$ 439,356</u>	<u>\$ 4,343</u>

IOWA COUNTY
 COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 June 30, 2015

	<u>Emergency Management</u>	<u>Fire Districts</u>	<u>Amana Land Use District</u>	<u>Sanitary Districts</u>	<u>E-911 Service Commission</u>
ASSETS					
Cash and pooled investments:					
County Treasurer	\$ 67,347	\$ 1,036	\$ 201	\$ 163	\$ 15,953
Other County officials	-	-	-	-	-
Receivables:					
Property tax:					
Delinquent	-	199	-	-	-
Succeeding year	-	97,000	24,000	23,000	-
Accounts	-	-	-	-	17
Due from other governments	22,704	-	-	-	-
Prepaid expenses	-	-	-	-	-
	<hr/>				
Total assets	<u>\$ 90,051</u>	<u>\$ 98,235</u>	<u>\$ 24,201</u>	<u>\$ 23,163</u>	<u>\$ 15,970</u>
LIABILITIES					
Accounts payable	\$ 5,059	\$ -	\$ -	\$ -	-
Salaries and benefits payable	-	-	-	-	-
Due to other governments	81,110	98,235	24,201	23,163	15,970
Trusts payable	-	-	-	-	-
Compensated absences	3,882	-	-	-	-
	<hr/>				
Total liabilities	<u>\$ 90,051</u>	<u>\$ 98,235</u>	<u>\$ 24,201</u>	<u>\$ 23,163</u>	<u>\$ 15,970</u>

See accompanying independent auditor's report.

<u>E-911 Surcharge</u>	<u>Advance Tax Payments</u>	<u>County Recorder's Electronic Transaction Fees</u>	<u>Total</u>
\$ 172,878	\$ 7,806	\$ 245	\$ 1,368,873
-	-	-	75,080
-	-	-	62,454
-	-	-	17,368,000
18,415	-	-	18,432
28,484	-	-	51,188
-	-	-	10,650
<u>\$ 219,777</u>	<u>\$ 7,806</u>	<u>\$ 245</u>	<u>\$ 18,954,677</u>
\$ 40	\$ -	\$ -	\$ 36,757
-	-	-	2,182
192,503	-	245	18,828,487
-	7,806	-	38,316
27,234	-	-	48,935
<u>\$ 219,777</u>	<u>\$ 7,806</u>	<u>\$ 245</u>	<u>\$ 18,954,677</u>

IOWA COUNTY
 COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended June 30, 2015

	County Offices			Agricultural Extension Education	County Assessor
	County Auditor	County Recorder	County Sheriff		
ASSETS AND LIABILITIES					
Balances beginning of year	\$ 1,712	\$ 10,483	\$ 51,162	\$ 210,916	\$ 800,849
Additions:					
Property and other County tax	-	-	-	213,617	315,662
State tax credits	-	-	-	13,634	21,353
Payments in lieu of taxes	-	-	-	192	300
E-911 surcharge	-	-	-	-	-
Office fees and collections	414	295,146	70,826	-	-
Auto licenses, use tax and postage	-	-	-	-	-
Assessments	-	-	-	-	-
Trusts	1,008	-	188,978	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total additions	1,422	295,146	259,804	227,443	337,315
Deductions:					
Agency remittances:					
To other funds	414	122,613	69,277	-	-
To other governments	-	156,201	3,264	221,797	384,458
Trusts paid out	1,091	-	191,789	-	-
Total deductions	1,505	278,814	264,330	221,797	384,458
Balances end of year	\$ 1,629	\$ 26,815	\$ 46,636	\$ 216,562	\$ 753,706

<u>Schools</u>	<u>Area Schools</u>	<u>Corporations</u>	<u>Townships</u>	<u>City Special Assessments</u>	<u>Auto License and Use Tax</u>	<u>Brucellosis and Tuberculosis Eradication</u>
\$ 11,492,699	\$ 880,347	\$ 3,497,933	\$ 291,771	\$ 991	\$ 402,060	\$ 3,037
12,121,216	892,130	3,369,625	307,751	-	-	2,687
739,534	56,683	265,086	17,086	-	-	177
10,214	790	-	410	-	-	2
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	5,534,703	-
-	-	-	-	5,134	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
12,870,964	949,603	3,634,711	325,247	5,134	5,534,703	2,866
-	-	-	-	-	210,249	-
12,074,635	925,006	3,655,564	304,764	3,249	5,287,158	1,560
-	-	-	-	-	-	-
12,074,635	925,006	3,655,564	304,764	3,249	5,497,407	1,560
\$ 12,289,028	\$ 904,944	\$ 3,477,080	\$ 312,254	\$ 2,876	\$ 439,356	\$ 4,343

IOWA COUNTY
 COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended June 30, 2015

	<u>Emergency Management</u>	<u>Fire Districts</u>	<u>Amana Land Use District</u>	<u>Sanitary Districts</u>	<u>E-911 Service Commission</u>
ASSETS AND LIABILITIES					
Balances beginning of year	\$ 76,686	\$ 98,186	\$ 25,213	\$ 26,226	\$ 14,238
Additions:					
Property and other County tax	-	96,938	23,829	23,033	-
State tax credits	-	6,066	1,515	1,859	-
Payments in lieu of taxes	-	-	-	-	-
E-911 surcharge	-	-	-	-	-
Office fees and collections	-	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-	-
Assessments	-	-	-	-	-
Trusts	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	166,967	-	-	-	26,858
Total additions	<u>166,967</u>	<u>103,004</u>	<u>25,344</u>	<u>24,892</u>	<u>26,858</u>
Deductions:					
Agency remittances:					
To other funds	-	-	-	-	-
To other governments	153,602	102,955	26,356	27,955	25,126
Trusts paid out	-	-	-	-	-
Total deductions	<u>153,602</u>	<u>102,955</u>	<u>26,356</u>	<u>27,955</u>	<u>25,126</u>
Balances end of year	<u>\$ 90,051</u>	<u>\$ 98,235</u>	<u>\$ 24,201</u>	<u>\$ 23,163</u>	<u>\$ 15,970</u>

See accompanying independent auditor's report.

<u>E-911 Surcharge</u>	<u>Advance Tax Payments</u>	<u>County Recorder's Electronic Transaction Fees</u>	<u>Tax Sale Redemption</u>	<u>Total</u>
\$ 158,401	\$ 7,144	\$ 536	\$ -	\$ 18,050,590
-	-	-	-	17,366,488
-	-	-	-	1,122,993
-	-	-	-	11,908
191,531	-	-	-	191,531
-	-	2,853	-	369,239
-	-	-	-	5,534,703
-	-	-	-	5,134
-	7,791	-	198,980	396,757
998	-	-	-	998
62,570	-	-	-	256,395
<u>255,099</u>	<u>7,791</u>	<u>2,853</u>	<u>198,980</u>	<u>25,256,146</u>
-	-	-	-	402,553
193,723	-	3,144	-	23,550,517
-	7,129	-	198,980	398,989
<u>193,723</u>	<u>7,129</u>	<u>3,144</u>	<u>198,980</u>	<u>24,352,059</u>
<u>\$ 219,777</u>	<u>\$ 7,806</u>	<u>\$ 245</u>	<u>\$ -</u>	<u>\$ 18,954,677</u>

IOWA COUNTY

SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION

ALL GOVERNMENTAL FUNDS
FOR THE LAST TEN YEARS

	Modified Accrual Basis			
	Years Ended June 30,			
	2015	2014	2013	2012
Revenues:				
Property and other County tax	\$ 8,664,243	\$ 9,289,032	\$ 9,241,054	\$ 8,979,193
Interest and penalty on property tax	51,229	50,281	44,002	43,783
Intergovernmental	5,452,578	4,608,484	4,156,366	5,732,671
Licenses and permits	28,060	25,443	27,193	26,436
Charges for service	1,805,273	1,157,412	1,038,609	953,117
Use of money and property	273,478	285,255	287,335	283,795
Miscellaneous	271,508	440,538	164,810	350,196
Total	\$ 16,546,369	\$ 15,856,445	\$ 14,959,369	\$ 16,369,191
Expenditures:				
Operating:				
Public safety and legal services	\$ 4,237,539	\$ 3,293,415	\$ 3,276,905	\$ 2,819,196
Physical health and social services	1,111,195	1,026,668	1,097,108	991,875
Mental health	516,213	430,665	536,976	1,705,557
County environment and education	870,202	1,004,081	959,153	839,174
Roads and transportation	6,523,556	4,936,408	5,869,923	6,302,316
Government services to residents	590,062	577,747	565,776	539,793
Administration	1,476,799	1,373,192	1,454,882	1,336,546
Non-program	114,040	65,789	71,849	126,583
Debt service	846,421	1,061,094	1,113,526	1,413,358
Capital projects	783,359	193,913	60,252	290,695
Total	\$ 17,069,386	\$ 13,962,972	\$ 15,006,350	\$ 16,365,093

See accompanying independent auditor's report.

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$	7,525,850	\$ 7,377,962	\$ 7,461,591	\$ 7,245,194	\$ 6,943,983	\$ 6,293,213
	50,594	45,390	56,589	43,903	36,148	47,596
	5,924,223	5,272,407	6,328,434	4,878,531	4,523,156	4,584,343
	29,690	25,507	18,100	22,187	22,781	25,019
	1,093,925	993,983	1,170,681	1,150,724	917,274	620,082
	254,889	268,509	301,895	338,794	386,007	269,755
	312,120	501,378	185,810	133,561	211,248	240,539
	<u>\$ 15,191,291</u>	<u>\$ 14,485,136</u>	<u>\$ 15,523,100</u>	<u>\$ 13,812,894</u>	<u>\$ 13,040,597</u>	<u>\$ 12,080,547</u>
\$	2,706,729	\$ 2,537,151	\$ 2,524,634	\$ 2,395,981	\$ 2,230,252	\$ 2,011,920
	923,084	919,194	871,838	881,465	883,818	732,988
	1,360,006	1,367,876	1,452,258	1,363,008	1,257,582	1,107,579
	2,419,601	949,211	830,792	849,655	805,655	702,160
	5,820,614	5,916,003	5,211,265	4,944,517	4,511,452	4,508,846
	499,370	479,952	501,638	478,394	418,822	515,189
	1,364,085	1,449,401	1,597,978	1,434,640	1,556,446	1,263,849
	187,494	190,429	76,415	183,658	32,190	11,060
	716,198	683,200	637,401	602,983	447,999	336,669
	538,821	1,305,702	1,500,085	1,256,646	740,215	3,379,498
	<u>\$ 16,536,002</u>	<u>\$ 15,798,119</u>	<u>\$ 15,204,304</u>	<u>\$ 14,390,947</u>	<u>\$ 12,884,431</u>	<u>\$ 14,569,758</u>

IOWA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015

Grantor/Program	CFDA Number	Pass-through Grantor Number	Program Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Human Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	LAE SFY15	\$ <u>7,884</u>
U.S. Department of the Interior:			
Iowa Department of Transportation:			
Youth Engagement, Education, and Employment Programs	15.676	FY 15	<u>17,845</u>
U.S. Department of Transportation:			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	BROS 48(67)	<u>330,244</u>
U.S. Department of Health and Human Services:			
Iowa Department of Public Health:			
Immunization Cooperative Agreements	93.268	5884I495	3,609
Immunization Cooperative Agreements	93.268	5885I495	418
			<u>4,027</u>
Iowa Department of Human Services:			
Refugee and Entrant Assistance - State Administered Programs	93.566	LAE SFY15	<u>17</u>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	LAE SFY15	<u>2,031</u>
Foster Care - Title IV - E	93.658	LAE SFY15	<u>3,017</u>
Adoption Assistance	93.659	LAE SFY15	<u>951</u>
Social Services Block Grant	93.667	SPP-14	<u>186</u>
Social Services Block Grant	93.667	LAE SFY15	<u>2,427</u>
			<u>2,613</u>
Children's Health Insurance Program	93.767	LAE SFY15	<u>48</u>
Medical Assistance Program	93.778	LAE SFY15	<u>14,861</u>

IOWA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Pass-through Grantor Number</u>	<u>Program Expenditures</u>
Indirect (continued):			
U.S. Department of Homeland Security:			
Iowa Department of Homeland Security and Emergency Management:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-IA-4187	\$ <u>229,061</u>
Hazard Mitigation Grant	97.039	HMGP - FY 15	<u>14,364</u>
Emergency Management Performance Grants	97.042	EMPG-FY 15	<u>27,669</u>
			<u>\$ 654,632</u>

Basis of Presentation – The Schedule of Expenditures of Federal Awards includes the federal grant activity of Iowa County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See accompanying independent auditor's report.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Officials of Iowa County:

We have audited in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and Chapter 11 of the Code of Iowa, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Iowa County, Iowa, as of and for the year ended June 30, 2015, and the related notes to financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 1, 2016.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting 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 and Questioned Costs, we identified deficiencies in internal control over financial reporting we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the County's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in Part II of the accompanying Schedule of Findings and Questioned Costs as item II-B-15 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in Part II of the accompanying Schedule of Findings and Questioned Costs as item II-A-15 to be a significant deficiency.

Compliance

As part of obtaining reasonable assurance about whether Iowa 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 that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2015 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.

Iowa County's Responses to the Findings

Iowa County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Iowa 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 report is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Iowa 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.

Hunt & Associates, P.C.

Oskaloosa, Iowa
March 1, 2016

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133

To the Officials of Iowa County:

Report on Compliance for the Major Federal Program

We have audited Iowa County, Iowa's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on its major federal program for the year ended June 30, 2015. Iowa County's major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Iowa County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Iowa County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Iowa County's compliance.

Opinion on the Major Federal Program

In our opinion, Iowa County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2015.

Report on Internal Control Over Compliance

In planning and performing our audit of compliance, we considered Iowa County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Iowa County's internal control over compliance.

A deficiency in internal control over compliance 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 non-compliance with a type of compliance requirement of a federal program on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility material non-compliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Hunt + Associates, P.C.

Oskaloosa, Iowa
March 1, 2016

IOWA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015

Part I: Summary of the Independent Auditor's Results:

- (a) Unmodified opinions were issued on all opinion units.
- (b) Significant deficiencies and material weaknesses in internal control over financial reporting were reported.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over major programs were reported.
- (e) An unmodified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit disclosed no audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The major program was as follows:
 - CFDA Number 20.205 Highway Planning and Construction
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Iowa County did not qualify as a low-risk auditee.

IOWA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2015

Part II: Findings Related to the Basic Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

INTERNAL CONTROL DEFICIENCIES:

II-A-15 Segregation of Duties

Comment – During our review of the internal control structure, the existing procedures are evaluated in order to determine that 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. We noted that generally one or two individuals in the offices identified may have control over the following areas for which no compensating controls exist:

	<u>Applicable Offices</u>
(1) All incoming mail should be opened by an employee who is not authorized to make entries to the accounting records. This employee should prepare a listing of cash and checks received. The mail should then be forwarded to the accounting personnel for processing. Later, the same listing should be compared to the cash receipt records.	Recorder
(2) Bank accounts should be reconciled promptly at the end of each month by an individual who does not sign checks or handle or record cash.	Recorder
(3) Checks should be signed by an individual who does not otherwise participate in the preparation of the checks. Prior to signing, the checks and the supporting documentation should be reviewed for propriety. After signing, the checks should be mailed without allowing them to return to individuals who prepare the checks or approve vouchers for payment.	Recorder

Recommendation – We realize that with a limited number of office employees, segregation of duties is difficult. However, each official should review the control procedures of their office to obtain the maximum internal control possible under the circumstances. The official should utilize current personnel 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 should be evidenced by the initials or signature of the reviewer and the date of the review.

IOWA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015

Part II: Findings Related to the Basic Financial Statements (continued):

INTERNAL CONTROL DEFICIENCIES (continued):

II-A-15 Segregation of Duties (continued)

Response –

County Recorder – We will review procedures and try to make any necessary changes to improve internal control.

Conclusion – Response accepted.

II-B-15 Financial Reporting – During the audit, we identified material amounts of payables and capital asset additions not recorded in the County’s financial statements. 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 payables and capital asset additions are identified and included in the County’s financial statements so that the financial statements are free of material misstatements.

Response – We will review our current procedures to ensure the proper amounts are recorded in the financial statements in the future.

Conclusion – Response accepted.

IOWA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

INTERNAL CONTROL DEFICIENCIES:

No matters were reported.

IOWA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2015

Part IV: Other Findings Related to Required Statutory Reporting:

IV-A-15 Certified Budget – Disbursements during the year ended June 30, 2015 exceeded the amount budgeted in the debt service function. Departmental disbursements did not exceed the amounts appropriated.

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 – We will amend the budget when required in the future.

Conclusion – Response accepted.

IV-B-15 Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.

IV-C-15 Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

IV-D-15 Business Transactions – Business transactions between the County and County officials or employees are detailed as follows:

<u>Name, Title and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Brian Miller Excavating, Owned by Spouse of former Auditor Kristen Miller	Septic system installation and debris removal	\$14,900

In accordance with Chapter 331.342(2)(d) of the Code of Iowa, the transaction with the spouse of former Auditor Miller does not represent a conflict of interest since the employee was not directly involved in the procurement or preparation of any part of the contract.

IV-E-15 Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed periodically to ensure that the coverage remains adequate for current operations.

IV-F-15 Board Minutes – No transactions requiring Board approval which had not been approved by the Board were noted.

IV-G-15 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the County’s investment policy were noted.

IOWA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2015

Part IV: Other Findings Related to Required Statutory Reporting (continued):

IV-H-15 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).

IV-I-15 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, 2015 for the County Extension Office did not exceed the amount budgeted.

IV-J-15 Annual Urban Renewal Report – The annual urban renewal report was properly approved and certified to the Iowa Department of Management on or before December 1 and no exceptions were noted.

IV-K-15 Codification of Ordinances – The County has not compiled a code of ordinances containing all of the County ordinances at least once every five years as required by Chapter 331.302(10) of the Code of Iowa. This was last completed in November 2009.

Recommendation – The County should compile a code of ordinances containing all of the County ordinances at least once every five years.

Response – We approved the new code of ordinances on October 16, 2015 and we will properly update the code of ordinances in the future.

Conclusion – Response accepted.

IV-L-15 County Attorney Collections – The County Attorney’s office is allowed to take collection actions against outstanding delinquent court debt in accordance with Chapter 602.8107(4) of the Code of Iowa. The collections received by the County Attorney are split between the County, the State of Iowa, and the County Attorney’s office in accordance with Chapter 602.8107(4)(c) and (d). However, we noted that the County Attorney’s share of collections was overstated by \$6,419.

Recommendation – The County should make a corrective transfer from the County Attorney Collections Fund to the General Supplemental Fund to correct the overallocation of collections to the County Attorney.

Response – We will make the necessary correction in fiscal year 2016 and we will properly allocate all future collections by the County Attorney’s office.

Conclusion – Response accepted.