Financial Statements
June 30, 2015

Louisa County

Louisa County

Name	Title	Term Expires
Randy Griffin	Board of Supervisors	December 2018
Chris Ball	Board of Supervisors	December 2016
Paula Buckman	Board of Supervisors	December 2016
Sandi Elliot	County Auditor	December 2016
Vicki Frank	County Treasurer	December 2018
Leanne Black	County Recorder	December 2018
Brad Turner	County Sheriff	December 2016
Adam Parsons	County Attorney	December 2018
Gregory Johnson	County Assessor	*

* Appointed by County

Independent Auditor's Report

To the Officials of Louisa 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 Louisa County, Iowa, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as 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 accounting principles generally accepted in the United States of America; 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 entity'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 entity'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 that 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 Louisa County, Iowa, as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 and 12 to the financial statements, the County adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which has resulted in a restatement of the net position as of July 1, 2014. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplementary information listed in the table of contents 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, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Louisa County, Iowa's 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 list of county officials, combining nonmajor fund financial statements, and the schedule of revenues by source and expenditures by function are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular *A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements.

The combining nonmajor fund financial statements, the schedule of revenues by source and expenditures by function, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, the schedule of revenues by source and expenditures by function, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The list of county officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2016, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the County's internal control over financial reporting and compliance.

Eide Bailly LLP

Dubuque, Iowa
January 18, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Louisa County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities of Louisa County is for the fiscal year ended June 30, 2015. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2015 FINANCIAL HIGHLIGHTS

Revenues of the County's governmental activities decreased approximately $3,173,000 (16.5%) from $19,274,000 for fiscal year 2014 to $16,101,000 for fiscal year 2015. This was largely due to a decrease in the following:

- Operating Grants and Capital Grants decreased $2,972,000 from prior year mostly due to the reduction of federal grants associated with the completion of the Oakville Bridge on Highway 99.
- Revenue from Property and other County Taxes decreased $169,000 or 2.6% from $6,428,000 for fiscal year 2014 to $6,259,000 for 2015.

Program expenses increased by approximately $1,739,000 (15.2%) from prior year, increasing from $11,421,000 for fiscal year 2014 to $13,160,000 in 2015. This was due mostly to an increase of $1,329,000 (52.1%) in spending for the levee project included in County Environment and Education which was pass-through money and offset in grant revenue. There were also smaller increases in the following areas: Roads and Transportation expense increased $606,000 or 17.1%; Governmental Services to residents by $26,000 or 9.4%; and Administration by $21,400 or 2.0%. These increases in spending were partially offset by lower spending in public safety and health, legal, social services and mental health.

Revenues in 2015 exceeded expenditures by $2,941,000 increasing the County's Net Position by the same amount. Net Position increased from a restated balance of $35,336,000 on June 30, 2014 to a balance of $38,277,000 on June 30, 2015. (See Note 12 in the financial statements regarding the restatement of prior year expenses and net position for a change in accounting for pension benefits.)

The County's gross assets (excluding deferred outflows) decreased $344,000, from $50,083,000 on June 30, 2014 to $49,739,000 on June 30, 2015. The elimination of the 2014 escrow account for bond refunding was nearly offset by the increase in capital assets of $2,339,000. Total liabilities (excluding deferred inflows) decreased $4,129,000 from a restated balance of $9,526,000 on June 30, 2014 to $5,397,000 on June 30, 2015 due to a decrease in Bonds Payable and Net Pension Liability.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

1) Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the County's financial activities.

2) The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Louisa County as a whole and present an overall view of the County's finances.

3) The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund Financial Statements report Louisa County's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Louisa County acts solely as an agent or custodian for the benefit of those outside of County government, for example, Levee Districts and Emergency Management Services. These are called Agency Funds.

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

5) Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year.

6) Other Supplementary Information provides detailed information about the non-major Governmental Funds, Special Revenue Funds, and the individual Agency Funds.

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

One of the most important questions to ask about the County's financial statements is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities give information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are reported on an accrual basis, regardless of when cash is received or paid.

The Statement of Net Position presents all of the County's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the County's net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

Governmental activities are grouped for reporting purposes into the following categories: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, interest on long-term debt, and other non-program activities. These activities are financed mostly by revenue from property taxes and state and federal grants.

Fund Financial Statements

The County has two kinds of funds: governmental funds and fiduciary funds. Governmental funds account for most of the County's basic services. Governmental fund reports focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. The governmental funds include: 1) the General Fund, 2) the Special Revenue Funds (Mental Health, Rural Services, and Secondary Roads, 3) the Debt Service Fund, and 4) Non-major Governmental Funds. These funds are reported using the current financial resources measurement and the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund financial statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. The required financial statements for governmental funds include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. (See Exhibits C, D, E and F.)

Fiduciary funds are used to report assets held in a trust or agency capacity for others which cannot be used to support the County's own programs. These fiduciary funds include Agency Funds for drainage districts, emergency management services, and the County Assessor, to name a few. The required financial statements for fiduciary funds include a Statement of Fiduciary Assets and Liabilities. (See Exhibit G.)

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position, and the changes in asset balances over time, can serve as a useful indicator of financial position. As noted earlier, Louisa County's combined net position increased from a restated balance of $35,336,000 to $38,277,000, as shown below. The analysis below discusses the changes in net position of governmental activities.

Net Position of Governmental Activities
(Expressed in Thousands)

	June 30, 2015	June 30, 2014 (not restated)
Current and Other Assets	$ 12,600	$ 15,283
Capital Assets	37,139	34,800
Total assets	49,739	50,083
Deferred Ouflows of Resources	393	-
Long-Term Liabilities	4,742	5,819
Other Liabilities	655	1,103
Total liabilities	5,397	6,922
Deferred Inflows of Resources	6,458	5,556
Net Position:		
Net investment in capital assets	34,544	32,196
Restricted	5,432	5,144
Unrestricted	(1,699)	265
Total net position	$ 38,277	$ 37,605

The net position of Louisa County's governmental activities increased by $2,941,000 or 8.3% from prior year; from a restated balance of $35,336,000 to $38,277,000. The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, buildings, and equipment), less the related debt. Restricted net position increased $288,000 from $5,144,000 on June 30, 2014 to $5,431,000 on June 30, 2015. A change in accounting for pension benefits caused a decline in unrestricted net position of $1,964,000 from $265,000 on June 30 2014 to a negative $1,699,000 on June 30, 2015. Unrestricted net position is the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

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

	Year Ended June 30, 2015	2014 (not restated)
Program Revenues:		
Fines, fees, and charges for services	$ 836	$ 889
Operating grants and contributions	5,846	4,395
Capital grants and contributions	3,092	7,515
General Revenues:		
Property and other County tax	6,259	6,428
Unrestricted investment earnings	19	17
Other general revenues	48	30
Total revenues	16,100	19,274
Program Expenses:		
Public safety and legal services	2,726	2,779
Physical health and social services	500	683
Mental health	323	345
County environment and education	3,881	2,552
Roads and transportation	4,162	3,556
Governmental services to residents	307	280
Administration	1,085	1,064
Interest on long-term debt	176	162
Total expenses	13,160	11,421
Increase in Net Position	2,940	7,853
Net Position Beginning of the Year	35,337	29,752
Net Position End of the Year	$ 38,277	$ 37,605

Revenues from governmental activities during fiscal year 2015, which includes Program Revenues and General Revenues, decreased by approximately $3,173,000 from the prior year; from $19,274,000 to $16,101,000. Most of this decrease was due to a decline in the County's Program Revenues for Operating Grants and Capital Grants related to the completion of the Oakville Bridge and levee projects. General Revenues decreased $149,000 from $6,475,000 to $6,326,000 in 2015. General Revenues come mostly from property and other county tax.

The cost of all governmental activities during fiscal year 2015 increased approximately $1,739,000 or 15.2%; from $11,421,000 in 2014 to $13,160,000 in 2015. This was mostly due to pass-through payments for the Bendway Wier Levee project that is included in the County Environment and Education classification. Spending for Roads and Transportation increased $606,000 over prior year.

Property and other county taxes of $6,259,000 financed about 47.6% of the 2015 expenses, and program revenues covered the remaining portion. Program revenues are derived mostly from grants and contributions from other governments and organizations that subsidized certain programs. Program revenues also included $837,000 collected in fines, fees and charges for services, which was a decrease of $52,000 less than last year.

INDIVIDUAL MAJOR FUND ANALYSIS

- As Louisa County completed the year, its governmental funds reported a combined fund balance of $5,807,000, a decrease of $2,229,000 over prior year. (See Exhibit C of the financial statements.)

- As shown in Exhibit E of the financial statements, General Fund Revenue of $8,123,000 was up from prior year by $1,172,000. General Fund Expenditures of $8,443,000 increased by $1,466,000 over prior year. The increase in General Fund revenue and expenditures was due mostly to intergovernmental grant revenue for the levee project that was offset in expenditures classified as "County environment and education". The ending General Fund balance of approximately $1,363,000 represents an increase of $60,000 from the prior year.

- The Rural Services ending fund balance of $50,000 is an increase of approximately $7,000 from prior year.

- Secondary Roads Fund revenue of $4,481,000 was down $5,479,000 from prior year and expenditures of $5,613,000 were down $5,099,000 from prior year due to the completion of the Oakville Bridge project. The fund balance for Secondary Roads increased by $23,000 to approximately $1,847,000 due to a funding transfer of $1,156,000 mostly from Rural Services.

BUDGETARY HIGHLIGHTS

Over the course of the year, the County amended the budget two times. An amendment was made in December 2014 increasing net expenditures by $147,774 principally to accommodate expenditures in Public Health to staff the new home health aide service; expenditures in Mental Health for staff severance due to the outsourcing of case management, and expenditures related to storm damage.

An amendment was made in May to allow a net increase in revenues by $136,851 to accommodate an increase in grant revenue in Roads and Public Health; an increase in expenditures in Public Safety for overtime, holiday pay, and severance, and an increase for food for the jail due to higher inmate population; and for variances from budget for various departments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2015, the County had $37,139,000 invested in a broad range of capital assets, including buildings, park facilities, roads and bridges.

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

	June 30, 2015	June 30, 2014
Land	$ 8,052	$ 7,947
Construction in Progress	1,477	9,133
Buildings and Improvements	4,402	4,526
Machinery and Equipment	1,076	921
Infrastructure	22,132	12,273
Total	$ 37,139	$ 34,800

Capital assets in the table above are shown net of accumulated depreciation. The County had depreciation expense of approximately $1,151,000 for the year ended June 30, 2015 and total accumulated depreciation of approximately $11,052,000 at June 30, 2015. More detailed information about the County's capital assets is presented in Exhibits D and F and Note 4 to the financial statements.

Long-Term Liabilities

At June 30, 2015, Louisa County had approximately $4,742,000 in bond debt and other long-term liabilities, as shown below.

Outstanding Long-Term Liabilities of Governmental Activities at Year-End
(Expressed in Thousands)

	June 30, 2015	June 30, 2014 (restated)
General Obligation Bonds	$ 2,544	$ 5,151
Installment Purchase Agreement	50	100
Net Pension Liability	1,513	2,604
Net OPEB Liability	150	119
Compensated Absences	485	449
Total	$ 4,742	$ 8,423

Louisa County had outstanding general obligation bonds of $2,544,000 at June 30, 2015. The bonds will be paid with revenue from the Local Option Sales and Services Tax. Louisa County does not have a separate tax for debt service.

The Constitution of the State of Iowa limits the amount of general obligation debt that counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. Louisa County's outstanding general obligation debt is significantly below this $31 million limit.

Other obligations include an installment purchase agreement and liabilities for net pension liability, other post-employment benefits (OPEB), and compensated absences (employee vacation pay and sick leave). More detailed information about the County's long-term liabilities is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Louisa County's elected and appointed officials considered many factors when setting the 2015 fiscal year budget, tax rates, and the fees that will be charged for the various County activities. The Board interprets economic situation from the knowledge they have from news, local conditions and information from the Iowa State Association of Counties. Louisa County has a small population of approximately 11,400, a decline of about 900 during the past decade, which has an impact on the local economy.

For fiscal year 2016, countywide valuation decreased by about $300,000 which made a small decrease in revenues from tax and utility replacement dollars of approximately $2,300.

Each year, the Compensation Board recommends salaries for elected officials, subject to approval by the Board of Supervisors. For fiscal year 2016, the Board approved a salary increase 5.5% for the County Attorney and Sheriff, 2% for the Auditor, Recorder, and Treasurer, and 1% for the Board of Supervisors.

The transfer from Rural Services to Secondary Roads for fiscal year 2016 will be $1,132,748 about $58,000 less than prior year.

Based on approved budgets for 2016 fiscal year, changes in tax rates from prior year were as follows:

Levy	Fiscal Year 2015	Fiscal Year 2016	Change
General Basic	$4.20618	$4.20618	$0.00000
General Supplemental	$1.96603	$1.96603	$0.00000
Rural Services Basic	$2.77912	$2.91034	$0.13122
Mental Health	$0.89008	$0.75886	-$0.13122
Total	$9.84141	$9.84141	$0.00000

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Auditor's Office, Louisa County, 117 S. Main, Wapello, Iowa.

Basic Financial Statements

Louisa County

	Governmental Activities
Assets	
Cash and Pooled Investments	$ 5,863,702
Receivables:	
Property tax:	
Delinquent	22,061
Succeeding year	5,534,407
Interest and penalty on property tax	59,914
Accounts	14,915
Due from Other Governments	989,137
Prepaid Expenses	115,514
Capital Assets:	
Capital assets, not being depreciated	9,528,943
Capital assets (net of accumulated depreciation)	27,609,911
Total assets	49,738,504
Deferred Outflows of Resources	
Pension Related Deferred Outflows of Resources	393,648
Liabilities	
Accounts Payable	556,150
Salaries and Benefits Payable	93,137
Accrued Interest Payable	5,647
Long-Term Liabilities:	
Portion due or payable within one year:	
Bonds payable	300,000
Installment purchase agreement	50,000
Compensated absences	414,869
Portion due or payable after one year:	
Bonds payable	2,244,270
Compensated absences	69,902
Net pension liability	1,513,166
Net OPEB liability	149,664
Total liabilities	5,396,805

	Governmental Activities
Deferred Inflows of Resources	
Unavailable Property Tax Revenue	$ 5,534,408
Pension Related Deferred Inflows of Resources	923,658
Total deferred inflows of resources	6,458,066
Net Position	
Net Investment in Capital Assets	34,544,584
Restricted For:	
Supplemental levy purposes	451,124
Rural services purposes	49,577
Mental health purposes	1,027,549
Secondary roads purposes	2,384,184
Other purposes	1,519,278
Unrestricted	(1,699,015)
Total net position	$ 38,277,281

	Expenses	Program Revenues: Fees, Fines and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Assets
Functions/Programs:					
Governmental Activities:					
Public safety and legal services	$ 2,726,162	$ 336,451	$ 35,397	$ -	$ (2,354,314)
Physical health and social services	500,278	160,418	232,035	-	(107,825)
Mental health	322,529	246	14,045	-	(308,238)
County environment and education	3,880,965	76,470	3,275,268	-	(529,227)
Roads and transportation	4,161,947	30,453	2,280,740	3,091,675	1,240,921
Governmental services to residents	306,499	189,546	-	-	(116,953)
Administration	1,085,478	42,894	8,631	-	(1,033,953)
Interest on long-term debt	176,410	-	-	-	(176,410)
Total Governmental Activities	$ 13,160,268	$ 836,478	$ 5,846,116	$ 3,091,675	(3,385,999)
General Revenues:					
Property and other County tax levied for:					
General purposes					5,305,728
Penalty and interest on property tax					46,090
State tax credits					292,447
Local option sales tax					614,914
Unrestricted investment earnings					19,267
Miscellaneous					48,233
Total General Revenues					6,326,679
Change in Net Position					2,940,680
Net Position Beginning of Year, as Restated					35,336,601
Net Position End of Year					$ 38,277,281

		Special Revenue		
	General	Mental Health	Rural Services	Secondary Roads
Assets				
Cash and Pooled Investments	$ 1,383,807	$ 1,039,229	$ 50,505	$ 1,972,081
Receivables:				
Property tax:				
Delinquent	16,682	2,406	2,973	-
Succeeding year	3,696,184	454,439	1,383,784	-
Interest and penalty on property tax	59,914	-	-	-
Accounts	14,915	-	-	-
Due From Other Governments	95,723	-	-	794,062
Prepaid Expenses	95,322	81	1,101	16,234
Total assets	$ 5,362,547	$ 1,496,155	$ 1,438,363	$ 2,782,377
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	$ 164,716	$ 11,070	$ -	$ 380,014
Salaries and benefits payable	62,709	712	2,143	27,573
Total liabilities	227,425	11,782	2,143	407,587
Deferred Inflows of Resources:				
Unavailable revenues				
Succeeding year property tax	3,696,185	454,439	1,383,784	-
Other	76,303	2,385	2,859	527,716
Total deferred inflows of resources	3,772,488	456,824	1,386,643	527,716
Fund Balances:				
Nonspendable	95,322	81	1,101	16,234
Restricted	451,124	1,027,468	48,476	1,830,840
Unassigned	816,188	-	-	-
Total fund balances	1,362,634	1,027,549	49,577	1,847,074
Total liabilities, deferred inflows of resources, and fund balances	$ 5,362,547	$ 1,496,155	$ 1,438,363	$ 2,782,377

See Notes to Financial Statements

Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
$ 580	$ 1,417,500	$ 5,863,702
-	-	22,061
-	-	5,534,407
-	-	59,914
-	-	14,915
-	99,352	989,137
-	2,776	115,514
$ 580	$ 1,519,628	$ 12,599,650
$ -	$ 350	$ 556,150
-	-	93,137
-	350	649,287
-	-	5,534,408
-	-	609,263
-	-	6,143,671
-	2,776	115,514
580	1,516,502	4,874,990
-	-	816,188
580	1,519,278	5,806,692
$ 580	$ 1,519,628	$ 12,599,650

Total Governmental Fund Balances		$ 5,806,692
Amounts Reported for Governmental Activities in the Statement of Net Position is Different Because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
These assets consist of:		
Land	$ 8,052,018	
Construction in progress	1,476,925	
Infrastructure, net of $4,787,644 accumulated depreciation	22,131,586	
Buildings and improvements, net of $1,809,572 accumulated depreciation	4,402,267	
Machinery and equipment, net of $4,455,124 accumulated depreciation	1,076,058	
Total capital assets		37,138,854
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the governmental funds:		
Property taxes and intergovernmental		609,263
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		393,648
Deferred inflows of resources		(923,658)
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the Statement of Net Position. Balances at June 30, 2015, are:		
Accrued interest on bonds	(5,647)	
Bonds and installment purchase payable	(2,594,270)	
Compensated absences	(484,771)	
Net pension liability	(1,513,166)	
Net OPEB liability	(149,664)	
Total long-term liabilities		(4,747,518)
Net Assets of Governmental Activities		$ 38,277,281

	General	Special Revenue Mental Health	Special Revenue Rural Services	Special Revenue Secondary Roads
Revenues:				
Property and other County tax	$ 3,507,946	$ 506,174	$ 1,270,037	$ -
Interest and penalty on property tax	46,090	-	-	-
Intergovernmental	3,853,005	30,428	58,009	4,449,067
Licenses and permits	17,713	-	-	1,550
Charges for service	609,886	-	-	-
Use of money and property	34,921	-	-	-
Miscellaneous	53,580	246	-	30,306
Total revenues	8,123,141	536,848	1,328,046	4,480,923
Expenditures:				
Operating:				
Public safety and legal services	2,581,779	-	156,125	-
Physical health and social services	684,927	-	-	-
Mental health	57,452	264,852	-	-
County environment and education	3,772,241	-	71,250	-
Roads and transportation	-	-	19,332	3,437,266
Governmental services to residents	297,932	-	-	-
Administration	1,048,317	-	-	-
Debt service	-	-	-	53,067
Capital projects	-	-	-	2,123,024
Total expenditures	8,442,648	264,852	246,707	5,613,357
Excess (Deficiency) of Revenues Over (Under) Expenditures	(319,507)	271,996	1,081,339	(1,132,434)
Other Financing Sources (Uses):				
Sale of capital assets	43	-	-	-
Transfers in	500,000	-	-	1,155,556
Transfers out	(120,976)	-	(1,074,735)	-
Total Other Financing Sources (Uses)	379,067	-	(1,074,735)	1,155,556
Net Change in Fund Balances	59,560	271,996	6,604	23,122
Fund Balances Beginning of Year	1,303,074	755,553	42,973	1,823,952
Fund Balances End of Year	$ 1,362,634	$ 1,027,549	$ 49,577	$ 1,847,074

See Notes to Financial Statements

Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ 621,025	$ 5,905,182
-	-	46,090
-	54,319	8,444,828
-	-	19,263
-	4,191	614,077
10,380	201	45,502
-	608	84,740
10,380	680,344	15,159,682
-	4,821	2,742,725
-	-	684,927
-	-	322,304
-	-	3,843,491
-	-	3,456,598
-	4,394	302,326
-	-	1,048,317
2,790,403	-	2,843,470
-	22,157	2,145,181
2,790,403	31,372	17,389,339
(2,780,023)	648,972	(2,229,657)
-	-	43
356,473	40,155	2,052,184
-	(856,473)	(2,052,184)
356,473	(816,318)	43
(2,423,550)	(167,346)	(2,229,614)
2,424,130	1,686,624	8,036,306
$ 580	$ 1,519,278	$ 5,806,692

Net Change in Fund Balances - Total Governmental Funds		$ (2,229,614)
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay expenditures and contributed capital assets exceeded depreciation expense in the current year, as follows:		
Expenditures for capital assets	$ 2,576,868	
Contributed capital assets	935,157	
Depreciation expense	(1,150,951)	
		2,361,074
In the Statement of Activities, only the gain or the loss of capital assets is reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net position differ from the change in fund balances by the book value of assets being disposed.		(22,156)
Bond proceeds and capital leases are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position.		
Repayments		2,690,000
Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are deferred in the governmental funds as follows:		
Property tax	15,460	
Grant proceeds	(9,394)	
		6,066
The current year County employer share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred inflow of resources in the Statement of Net Position.		347,495
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:		
Interest on debt	9,891	
Amortization of bond discount	(32,831)	
Compensated absences	(35,781)	
Pension expense	(122,583)	
Net OPEB liability	(30,881)	
		(212,185)
Change in Net Position of Governmental Activities		$ 2,940,680

Assets	
Cash and Pooled Investments:	
County Treasurer	$ 1,045,623
Other County officials	10,874
Drainage districts	225,127
Receivables:	
Property tax:	
Delinquent	64,149
Succeeding year	11,977,681
Drainage assessments	2,461
Special assessments	46,634
Prepaid Expenses	8,994
Total assets	13,381,543
Liabilities	
Accounts Payable	15,179
Due to Other Governments	13,359,782
Trusts Payable	6,582
Total liabilities	13,381,543
Net Position	$ -

Note 1 - Summary of Significant Accounting Policies

Louisa 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 accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

Reporting Entity

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

Basis of Presentation

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

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for 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.

Unrestricted net position consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

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

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

The County reports the following major governmental funds:

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

Special Revenue Funds – The Mental Health Fund is used to account for property tax and other revenues to be used to fund mental health, intellectual disabilities, and developmental disabilities services. The Rural Services Fund is used to account for property tax and other revenues to provide services which are primarily intended to benefit those persons residing in the County outside of incorporated city areas. The Secondary Roads Fund is used to account for the road use tax allocation from the state of Iowa, required transfers from the General and Rural Services Funds, and other revenues to be used for secondary road construction and maintenance.

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

Additionally, the County reports the following fund types:

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

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

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 period. For this purpose, the County considers revenues to be available if they are collected within 60 days after year end.

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

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

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

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

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

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.

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

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

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 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. Delinquent drainage assessments receivable represent assessments which are due and payable but have not been collected. Succeeding year drainage assessments receivable represents remaining assessments which are payable but not yet due.

Special Assessments Receivable – Special assessments receivable represent amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in 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. Special assessments receivable represent assessments which are due and payable but have not been collected.

Due from and Due to Other Funds – During the course of its operations, the County has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2015, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

Asset Class	Amount
Infrastructure	$ 50,000
Intangibles	50,000
Land, Buildings, and Improvements	5,000
Equipment and Vehicles	5,000

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

Asset Class	Estimated Useful Lives (In Years)
Buildings	40-50
Building Improvements	20-50
Infrastructure	30-50
Intangibles	5-20
Equipment	2-20
Vehicles	3-10

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.

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death, or retirement. A liability is recorded when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 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.

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

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

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

Deferred Inflows of Resources – Deferred inflows of resources represents 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. 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, the unamortized portion of the net difference between projected and actual earnings on pension plan investments, and other unrecognized items not yet credited to pension expense

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

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

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

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

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

Unassigned – All amounts not included in other classifications.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balances are available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Supervisors has provided otherwise in its commitment or assignment actions.

Fund Balance Classification	Purpose	Fund	Amount
Nonspendable	Prepaid Expenses	General	$ 95,322
		Mental Health	81
		Rural Services	1,101
		Secondary Roads	16,234
		Non-major Governmental Funds	2,776
			$ 115,514
Restricted	Supplemental Levy Purposes	General	$ 451,124
	Mental Health	Mental Health	1,027,468
	Rural Services	Rural Services	48,476
	Secondary Roads	Secondary Roads	1,830,840
	Debt Service	Debt Service	580
		Non-major Governmental Funds	1,121,461
	Flood Grants	Non-major Governmental Funds	62,889
	Records Management	Non-major Governmental Funds	7,250
	Conservation	Non-major Governmental Funds	106,548
	Drainage Districts	Non-major Governmental Funds	48,566
	Confidential Investigations	Non-major Governmental Funds	27,777
	Capital Projects	Non-major Governmental Funds	142,011
			$ 4,874,990

Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2015, disbursements did not exceed the amounts budgeted.

Implementation of GASB Statement No. 68 and GASB Statement No. 71

As of July 1, 2014, the County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these standards requires governments calculate and report the costs and obligations associated with pensions in their basic financial statements. Employers are required to recognize pension amounts for all benefits provided through the plan which include the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. The effect of the implementation of these standards on beginning net position is disclosed in Note 12 and the additional disclosures required by these standards are included in Note 7.

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.

The County’s only investments were in the Iowa Public Agency Investment Trust which are valued at an amortized cost of $2,194,381 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

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

Credit Risk. The County’s investment policy limits investments in commercial paper and other corporate debt to the top two highest classifications. The County did not invest in any commercial paper or other corporate debt during the year. The investment in the Iowa Public Agency Investment Trust is unrated.

Concentration of Credit Risk. The County’s investment policy does not allow for a prime bankers’ acceptance or commercial paper and other corporate debt balances to be greater than ten percent of its total deposits and investments. The policy also limits the amount that can be invested in a single issue to five percent of its total deposits and investments. The County held no such investments during the year.

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. The County’s deposits are 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.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County did not hold any investments with a counterparty during the year ended 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
General	Nonmajor Governmental Funds	$ 500,000
Secondary Roads	Rural Services	1,074,735
	General	80,821
Debt Service	Nonmajor Governmental Funds	356,473
Nonmajor Governmental Funds	General	40,155
		$ 2,052,184

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

Note 4 - Capital Assets

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental Activities:				
Capital assets not being depreciated:				
Land and land improvements	$ 7,947,018	$ 105,000	$ -	$ 8,052,018
Construction in progress	9,132,289	2,951,238	10,606,602	1,476,925
Total capital assets, not being depreciated	17,079,307	3,056,238	10,606,602	9,528,943
Capital assets being depreciated:				
Buildings and improvements	6,211,839	-	-	6,211,839
Machinery and equipment	5,306,260	455,787	230,865	5,531,182
Infrastructure	16,312,628	10,606,602	-	26,919,230
Total capital assets, being depreciated	27,830,727	11,062,389	230,865	38,662,251
Less accumulated depreciation for:				
Buildings and improvements	1,685,559	124,013	-	1,809,572
Machinery and equipment	4,385,163	278,670	208,709	4,455,124
Infrastructure	4,039,376	748,268	-	4,787,644
Total accumulated depreciation	10,110,098	1,150,951	208,709	11,052,340
Total capital assets, being depreciated, net	17,720,629	9,911,438	22,156	27,609,911
Governmental Activities Capital Assets, Net	$ 34,799,936	$ 12,967,676	$ 10,628,758	$ 37,138,854

Depreciation expense was charged to the following functions of the County:

Governmental Activities:	
Public safety and legal services	$ 99,971
Physical health and social services	13,216
Mental health	1,482
County environment and education	28,425
Roads and transportation	974,355
Governmental services to residents	9,504
Administration	23,998
Total depreciation expense - governmental activities	$ 1,150,951

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 is as follows:

Fund	Description	Amount
Agency:		
County Recorder	Collections	$ 4,292
Agricultural Extension Education		182,861
County Assessor		460,188
Schools		9,136,170
Community Colleges		633,660
Corporations		1,485,903
Townships		303,349
Auto License and Use Tax		276,740
Brucellosis and Tuberculosis Eradication		2,011
Fire Districts		135,093
E911 Surcharge		244,533
Joint Disaster Services		27,487
City Special Assessments		50,888
Drainage Districts		416,425
County Recorder's Electronic Fee		182
Total for agency funds		$ 13,359,782

Note 6 - Long-Term Liabilities

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

	General Obligation Bonds	Unamortized Bond Premiums (Discounts)	Installment Purchase Agreement	Compensated Absences	Net Pension Liability	Net OPEB Liability	Total
Balance Beginning of Year	$ 5,160,000	$ (8,561)	$ 100,000	$ 448,990	$ 2,604,164	$ 118,783	$ 8,423,376
Increases	-	-	-	431,703	-	30,881	462,584
Decreases	2,640,000	(32,831)	50,000	395,922	1,090,998	-	4,144,089
Balance End of Year	$ 2,520,000	$ 24,270	$ 50,000	$ 484,771	$ 1,513,166	$ 149,664	$ 4,741,871
Due Within One Year	$ 300,000	$ -	$ 50,000	$ 414,869	$ -	$ -	$ 764,869

Bonds Payable

A summary of the County's June 30, 2015, general obligation bonded indebtedness is as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2016	1.60%	$ 300,000	$ 43,930	$ 343,930
2017	1.60%	305,000	39,130	344,130
2018	1.60%	305,000	34,250	339,250
2019	1.60%	310,000	29,370	339,370
2020	1.60%	320,000	24,410	344,410
2021-2023	1.80-2.10%	980,000	39,750	1,019,750
Total		$ 2,520,000	$ 210,840	$ 2,730,840

Installment Purchase Agreement

A summary of the County's June 30, 2015 installment purchase agreement indebtedness is as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2016	3.30%	$ 50,000	$ 1,986	$ 51,986

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 Employees' 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, any time after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

A multiplier (based on years of service).

The member's highest five-year average salary. (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 any time after reaching age 50 with 22 or more years of covered employment.

The formula used to calculate a sheriff and deputy and protection occupation members' 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 $347,495.

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 $1,513,166 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 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 .0382 percent, which was a decrease of .0072 percent from its collective proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of $122,583. 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
Differences Between Expected and Actual Results	$ -	$ 12,253
Changes of Assumptions	46,153	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	905,328
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	-	6,077
County Contributions Subsequent to the Measurement Date	347,495	-
Total	$ 393,648	$ 923,658

$347,495 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 ended 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:

Years Ended June 30,	Total
2016	$ (219,830)
2017	(219,830)
2018	(219,830)
2019	(219,830)
2020	1,815
	$ (877,505)

There were no non-employer contributing entities at IPERS.

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
Rates of 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.

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)
	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 (7.50%)	1% Increase (8.50%)
County's Proportionate Share of the Net Pension Liability (Asset)	$ 3,570,369	$ 1,513,166	$ (221,301)

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.

Payables to the Pension Plan - At June 30, 2015, the County had no payables to the defined benefit pension plan.

Note 8 - Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Louisa 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 casualty operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses, and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300 percent of basis rate.

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

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's contributions to the Pool for the year ended June 30, 2015, were $144,503.

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.

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

The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 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 casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Upon withdrawal, a formula set forth in the Pool's intergovernmental contract with its members is applied to determine the amount (if any) to be refunded to the withdrawing member.

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of $1,000,000 and $10,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 9 - Other Postemployment Benefits (OPEB)

Plan Description – The County operates a single-employer retiree benefit plan which provides medical benefits for retirees and their spouses. There are 68 active and 2 retired members in the Plan. Participants must be age 55 or older at retirement. The Plan does not issue a stand-alone financial report.

The medical coverage, which is a fully-insured medical plan, is administered by Wellmark. Retirees under age 65 pay the same premium as active employees, which results in an implicit rate subsidy and an OPEB liability.

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

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

The following table shows the components of the County's annual OPEB cost for the year ended June 30, 2015, the amount actually contributed to the Plan and changes in the County's net OPEB obligation:

Changes in OPEB Obligation:	
Annual Required Contribution	$ 46,457
Interest on Net OPEB Obligation	2,281
Adjustments to Annual Required Contribution	(2,266)
Annual OPEB cost (expense)	46,472
Contributions Made	15,591
Increase in net OPEB obligation	30,881
Net OPEB Obligation, Beginning of Year	118,783
Net OPEB Obligation, End of Year	$ 149,664

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.

For the year ended June 30, 2015, the County contributed an estimated $15,591 to the medical plan. Plan members eligible for benefits contributed $13,487 or 100% of the premium costs.

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

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2015	$ 46,472	33.5%	$ 149,664
June 30, 2014	46,472	33.5%	118,783
June 30, 2013	46,472	33.5%	87,902

Funded Status and Funding Progress – As of July 1, 2012, the most recent actuarial valuation date for the period July 1, 2013 through June 30, 2015, the actuarial accrued liability was $376,790, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of $376,790. The covered payroll (annual payroll of active employees covered by the Plan) was $3,571,593 and the ratio of the UAAL to covered payroll was 10.5%. 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 for the Retiree Health Plan, presented as Required Supplementary Information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

As of the July 1, 2012, actuarial valuation date, the Projected Unit Credit with linear proration to decrement cost method was used. The actuarial assumptions include a 4% discount rate based on the County's funding policy. The projected annual medical trend rate is 10%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 0.5% each year until reaching the 5% ultimate medical trend rate. An inflation rate of 3% is assumed for the purpose of this computation.

Mortality rates are from the RP-2000 Combined Mortality Table.

Projected claim costs of the medical plan are $931 per month for retirees less than age 65. The salary increase rate was assumed to be 3% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

Note 10 - Louisa County Financial Information Included in Southeast Iowa Link Mental Health Region

Southeast Iowa Link Mental Health Region, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa which became effective July 1, 2014, includes the following member counties: Des Moines County, Henry County, Jefferson County, Keokuk County, Lee County, Van Buren County, Washington County, and Louisa County. The financial activity of Louisa County's Special Revenue, Mental Health Fund is included in the Southeast Iowa Link Mental Health Region for the year ended June 30, 2015 as follows:

Revenues:		
Property and other county tax		$ 506,174
Intergovernmental revenues:		
State tax credits	$ 29,362	
Social services block grant	1,019	
Other intergovernmental revenues	47	
		30,428
Miscellaneous		246
Total revenues		536,848
Expenditures:		
Services to persons with:		
Mental illness	171,898	
Intellectual disability	308	
		172,206
General administration:		
Direct administration	81,368	
Distribution to regional fiscal agent	11,278	
		92,646
Total expenditures		264,852
Excess of Revenues Over Expenditures		271,996
Fund Balance Beginning of Year		755,553
Fund Balance End of Year		$ 1,027,549

Note 11 - Prospective Accounting Pronouncement

The Governmental Accounting Standards Board (GASB) has issued six statements not yet implemented by the County. The statements which might impact the County are as follows:

Statement No. 72, Fair Value Measurement and Application, issued February 2015, will be effective for the fiscal year ending June 30, 2016. The objective of this statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements.

Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statement No. 67 and Statement No. 68, will be effective for fiscal year ending June 30, 2016. The objective is to improve the usefulness of information for decisions made by the various users of the general purpose external financial reports (financial reports) of governments whose employees—both active employees and inactive employees—are provided with pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as amended.

Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans, will be effective for the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, will be effective for the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, will be effective June 30, 2016. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles.

Statement No. 77, Tax Abatement Disclosures, will be effective for the fiscal year June 30, 2017. The objective of this Statement is to improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users.

The County’s management has not yet determined the effect these statements will have on the County’s financial statements.

Note 12 - Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB 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:

	Governmental Activities
Net Position June 30, 2014, as Previously Reported	$ 37,604,689
Net Pension Liability at June 30, 2014	(2,604,164)
Deferred Outflows of Resources Related to Prior Year Contributions Made After June 30, 2013 Measurement Date	336,076
Net Position July 1, 2014, as Restated	$ 35,336,601

Required Supplementary Information
June 30, 2015

Louisa County

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	Governmental Funds Actual	Budgeted Amounts Original	Final
Receipts:			
Property and other County tax	$ 5,903,176	$ 6,098,519	$ 6,098,519
Interest and penalty on property tax	46,090	41,000	41,000
Intergovernmental	9,353,631	9,788,410	10,050,028
Licenses and permits	19,483	18,309	48,309
Charges for service	608,320	501,835	533,835
Use of money and property	35,122	26,660	34,580
Miscellaneous	94,817	31,200	54,819
Total receipts	16,060,639	16,505,933	16,861,090
Disbursements:			
Public safety and legal services	2,718,382	2,719,379	2,824,879
Physical health and social services	688,072	650,964	809,385
Mental health	325,765	539,942	566,003
County environment and education	3,933,472	4,488,623	4,502,520
Roads and transportation	3,296,043	3,161,758	3,456,758
Governmental services to residents	300,265	295,399	333,080
Administration	1,032,398	1,118,509	1,143,029
Debt service	361,721	361,472	361,472
Capital projects	2,736,488	3,223,598	2,928,598
Total disbursements	15,392,606	16,559,644	16,925,724
Excess (Deficiency) of Receipts Over (Under) Disbursements	668,033	(53,711)	(64,634)
Other Financing Sources, Net	6,695	5,250	5,250
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	674,728	(48,461)	(59,384)
Balance Beginning of Year	5,087,249	5,087,249	5,087,249
Balance End of Year	$ 5,761,977	$ 5,038,788	$ 5,027,865

Reconciliation Between Cash and Modified Accrual Basis:

	Governmental Funds Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	$ 16,060,639	$ (900,957)	$ 15,159,682
Expenditures	15,392,606	1,996,733	17,389,339
Net	668,033	(2,897,690)	(2,229,657)
Other Financing Sources, Net	6,695	(6,652)	43
Beginning Fund Balances	5,087,249	2,949,057	8,036,306
Ending Fund Balances	$ 5,761,977	$ 44,715	$ 5,806,692

	Final to Net Variance - Positive (Negative)
$	(195,343)
	5,090
	(696,397)
	(28,826)
	74,485
	542
	39,998
	(800,451)
	106,497
	121,313
	240,238
	569,048
	160,715
	32,815
	110,631
	(249)
	192,110
	1,533,118
	732,667
	1,445
	734,112
	-
$	734,112

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

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds, except blended component units 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, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund, and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by $366,080. The budget amendments are reflected in the final budgeted amounts.

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

During the year ended June 30, 2015, disbursements did not exceed the amounts budgeted.

		2015
County's Collective Proportion of the Net Pension Liability (Asset)		0.0382%
County's Collective Proportionate Share of the Net Pension Liability (Asset)	$	1,513,166
County's Covered-Employee Payroll	$	3,668,722
County's Collective Proportionate Share of the Net Pension Liability as a Percentage of Its Covered-Employee Payroll		41.25%
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^{th}.

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.

Schedule of the County Contributions
Iowa Public Employee's Retirement System
Last Eight Fiscal Years
Required Supplementary Information

	2015	2014	2013	2012	2011	2010	2009	2008
Statutorily Required Contribution	$ 347,495	$ 336,076	$ 320,620	$ 308,371	$ 256,978	$ 238,735	$ 208,051	$ 181,994
Contributions in Relation to the Statutorily Required Contribution	347,495	336,076	320,620	308,371	256,978	238,735	208,051	181,994
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
County's Covered- Employee Payroll	$ 3,821,390	$ 3,668,722	$ 3,593,934	$ 3,608,491	$ 3,413,549	$ 3,400,852	$ 3,112,046	$ 2,898,931
Contributions as a Percentage of Covered-Employee Payroll	9.09%	9.16%	8.92%	8.55%	7.53%	7.02%	6.69%	6.28%

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.

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.

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)
7/1/2012	$ -	$ 376,790	$ 376,790	0.00%	$ 3,571,593	10.55%
7/1/2009	-	245,137	245,137	0.00%	3,641,921	6.73%

See Note 9 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status, and funding progress.

Governmental Accounting Standards Board (GASB) Statement Number 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,* was implemented during fiscal year ended June 30, 2010. The July 1, 2009 actuarial valuation was the first valuation required by GASB.

Other Supplementary Information
June 30, 2015

Louisa County

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	Special			
	Local Option Sales Tax	County Grants	County Recorder's Records Management	Resource Enhancement and Protection
Assets				
Cash and Pooled Investments	$ 1,022,109	$ 62,889	$ 7,250	$ 106,548
Due from Other Governments	99,352	-	-	-
Prepaid Expenses	-	-	2,776	-
Total assets	$ 1,121,461	$ 62,889	$ 10,026	$ 106,548
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Fund Balances:				
Nonspendable	-	-	2,776	-
Restricted	1,121,461	62,889	7,250	106,548
Total fund balances	1,121,461	62,889	10,026	106,548
Total liabilities, deferred inflows of resources, and fund balances	$ 1,121,461	$ 62,889	$ 10,026	$ 106,548

See Notes to Financial Statements

Revenue

Drainage Districts	Confidential Investigation	Capital Projects	Total
$ 48,566	$ 28,127	$ 142,011	$ 1,417,500
-	-	-	99,352
-	-	-	2,776
$ 48,566	$ 28,127	$ 142,011	$ 1,519,628
$ -	$ 350	$ -	$ 350
-	-	-	2,776
48,566	27,777	142,011	1,516,502
48,566	27,777	142,011	1,519,278
$ 48,566	$ 28,127	$ 142,011	$ 1,519,628

	Special			
	Local Option Sales Tax	County Grants	County Recorder's Records Management	Resource Enhancement and Protection
Revenues:				
Property and other County tax	$ 614,914	$ -	$ -	$ -
Intergovernmental	-	33,705	-	13,196
Charges for service	-	-	1,920	-
Use of money and property	-	-	49	152
Miscellaneous	-	-	-	-
Total revenues	614,914	33,705	1,969	13,348
Expenditures:				
Operating:				
Public safety and legal services	-	-	-	-
Governmental services to residents	-	-	4,394	-
Capital projects	-	-	-	2,082
Total expenditures	-	-	4,394	2,082
Excess (Deficiency) of Revenues Over (Under) Expenditures	614,914	33,705	(2,425)	11,266
Other Financing Sources:				
Transfers in	-	-	-	-
Transfers out	(856,473)	-	-	-
Total Other Financing Sources	(856,473)	-	-	-
Net Change in Fund Balances	(241,559)	33,705	(2,425)	11,266
Fund Balances Beginning of Year	1,363,020	29,184	12,451	95,282
Fund Balances End of Year	$ 1,121,461	$ 62,889	$ 10,026	$ 106,548

See Notes to Financial Statements

Revenue

Drainage Districts	Confidential Investigation	Capital Projects	Total
$ 6,111	$ -	$ -	$ 621,025
-	7,418	-	54,319
-	2,271	-	4,191
-	-	-	201
-	608	-	608
6,111	10,297	-	680,344
-	4,821	-	4,821
-	-	-	4,394
-	-	20,075	22,157
-	4,821	20,075	31,372
6,111	5,476	(20,075)	648,972
-	-	40,155	40,155
-	-	-	(856,473)
-	-	40,155	(816,318)
6,111	5,476	20,080	(167,346)
42,455	22,301	121,931	1,686,624
$ 48,566	$ 27,777	$ 142,011	$ 1,519,278

	Balance 6/30/14	Additions	Deletions	Balance 6/30/15
County Auditor				
Assets:				
Cash and pooled investments:				
Other County officials	$ -	$ 463	$ 463	$ -
Liabilities:				
Due to other funds	$ -	$ 463	$ 463	$ -
County Recorder				
Assets:				
Cash and pooled investments:				
Other County officials	$ 9,920	$ 160,002	$ 165,630	$ 4,292
Liabilities:				
Due to other funds	$ -	$ 60,562	$ 60,562	$ -
Due to other governments	9,920	99,440	105,068	4,292
Total liabilities	$ 9,920	$ 160,002	$ 165,630	$ 4,292
County Sheriff				
Assets:				
Cash and pooled investments:				
Other County officials	$ 8,574	$ 140,506	$ 142,498	$ 6,582
Liabilities:				
Due to other funds	$ -	$ 90,895	$ 90,895	$ -
Trusts payable	8,574	49,611	51,603	6,582
Total liabilities	$ 8,574	$ 140,506	$ 142,498	$ 6,582

	Balance 6/30/14	Additions	Deletions	Balance 6/30/15
Agricultural Extension Education Fund				
Assets:				
Cash and pooled investments:				
County Treasurer	$ 1,958	$ 180,298	$ 179,857	$ 2,399
Property tax receivable:				
Delinquent	746	810	746	810
Succeeding year	179,472	179,652	179,472	179,652
Total assets	$ 182,176	$ 360,760	$ 360,075	$ 182,861
Liabilities:				
Due to other governments	$ 182,176	$ 360,760	$ 360,075	$ 182,861
County Assessor Fund				
Assets:				
Cash and pooled investments:				
County Treasurer	$ 145,106	$ 302,225	$ 337,181	$ 110,150
Property tax receivable:				
Delinquent	1,256	1,949	1,256	1,949
Succeeding year	267,645	345,000	267,645	345,000
Prepaid expenses	30,525	3,304	30,525	3,304
Total assets	$ 444,532	$ 652,478	$ 636,607	$ 460,403
Liabilities:				
Accounts payable	$ 742	$ 215	$ 742	$ 215
Due to other governments	443,790	652,263	635,865	460,188
Total liabilities	$ 444,532	$ 652,478	$ 636,607	$ 460,403
Schools Fund				
Assets:				
Cash and pooled investments:				
County Treasurer	$ 102,379	$ 9,082,896	$ 9,061,360	$ 123,915
Property tax receivable:				
Delinquent	37,052	40,372	37,052	40,372
Succeeding year	9,025,096	8,971,883	9,025,096	8,971,883
Total assets	$ 9,164,527	$ 18,095,151	$ 18,123,508	$ 9,136,170
Liabilities:				
Due to other governments	$ 9,164,527	$ 18,095,151	$ 18,123,508	$ 9,136,170

	Balance 6/30/14	Additions	Deletions	Balance 6/30/15
Community Colleges Fund				
Assets:				
Cash and pooled investments:				
County Treasurer	$ 6,393	$ 590,172	$ 588,588	$ 7,977
Property tax receivable:				
Delinquent	2,372	2,608	2,372	2,608
Succeeding year	585,424	623,075	585,424	623,075
Total assets	$ 594,189	$ 1,215,855	$ 1,176,384	$ 633,660
Liabilities:				
Due to other governments	$ 594,189	$ 1,215,855	$ 1,176,384	$ 633,660
Corporations Fund				
Assets:				
Cash and pooled investments:				
County Treasurer	$ 29,270	$ 1,906,490	$ 1,891,014	$ 44,746
Property tax receivable:				
Delinquent	18,094	16,658	18,094	16,658
Succeeding year	1,416,887	1,424,499	1,416,887	1,424,499
Total assets	$ 1,464,251	$ 3,347,647	$ 3,325,995	$ 1,485,903
Liabilities:				
Due to other governments	$ 1,464,251	$ 3,347,647	$ 3,325,995	$ 1,485,903
Townships Fund				
Assets:				
Cash and pooled investments:				
County Treasurer	$ 2,978	$ 277,633	$ 277,064	$ 3,547
Property tax receivable:				
Delinquent	989	1,170	989	1,170
Succeeding year	282,340	298,632	282,340	298,632
Total assets	$ 286,307	$ 577,435	$ 560,393	$ 303,349
Liabilities:				
Due to other governments	$ 286,307	$ 577,435	$ 560,393	$ 303,349

	Balance 6/30/14	Additions	Deletions	Balance 6/30/15
Auto License and Use Tax Fund				
Assets:				
Cash and pooled investments:				
County Treasurer	$ 238,350	$ 3,458,158	$ 3,419,768	$ 276,740
Liabilities:				
Due to other governments	$ 238,350	$ 3,458,158	$ 3,419,768	$ 276,740
Brucellosis and Tuberculosis Eradication Fund				
Assets:				
Cash and pooled investments:				
County Treasurer	$ 22	$ 1,985	$ 1,981	$ 26
Property tax receivable:				
Delinquent	8	9	8	9
Succeeding year	1,988	1,976	1,988	1,976
Total assets	$ 2,018	$ 3,970	$ 3,977	$ 2,011
Liabilities:				
Due to other governments	$ 2,018	$ 3,970	$ 3,977	$ 2,011
Fire Districts Fund				
Assets:				
Cash and pooled investments:				
County Treasurer	$ 1,226	$ 137,534	$ 137,204	$ 1,556
Property tax receivable:				
Delinquent	518	573	518	573
Succeeding year	134,418	132,964	134,418	132,964
Total assets	$ 136,162	$ 271,071	$ 272,140	$ 135,093
Liabilities:				
Due to other governments	$ 136,162	$ 271,071	$ 272,140	$ 135,093

	Balance 6/30/14	Additions	Deletions	Balance 6/30/15
E911 Surcharge Fund				
Assets:				
Cash and pooled investments:				
County Treasurer	$ 239,576	$ 113,781	$ 111,920	$ 241,437
Prepaid expenses	4,754	4,754	4,754	4,754
Total assets	$ 244,330	$ 118,535	$ 116,674	$ 246,191
Liabilities:				
Accounts payable	$ 2,086	$ 1,658	$ 2,086	$ 1,658
Due to other governments	242,244	116,877	114,588	244,533
Total liabilities	$ 244,330	$ 118,535	$ 116,674	$ 246,191
Joint Disaster Services Fund				
Assets:				
Cash and pooled investments:				
County Treasurer	$ 5,398	$ 88,949	$ 67,576	$ 26,771
Prepaid expenses	841	936	841	936
Total assets	$ 6,239	$ 89,885	$ 68,417	$ 27,707
Liabilities:				
Accounts payable	$ 608	$ 220	$ 608	$ 220
Due to other governments	5,631	89,665	67,809	27,487
Total liabilities	$ 6,239	$ 89,885	$ 68,417	$ 27,707
City Special Assessments Fund				
Assets:				
Cash and pooled investments:				
County Treasurer	$ 3,143	$ 14,198	$ 13,087	$ 4,254
Special assessments receivable	40,514	46,634	40,514	46,634
Total assets	$ 43,657	$ 60,832	$ 53,601	$ 50,888
Liabilities:				
Due to other governments	$ 43,657	$ 60,832	$ 53,601	$ 50,888

	Balance 6/30/14	Additions	Deletions	Balance 6/30/15
Drainage Districts				
Assets:				
Cash and pooled investments:				
County Treasurer	$ 184,917	$ 630,818	$ 614,598	$ 201,137
Drainage districts	225,127	-	-	225,127
Drainage assessments receivable	1,847	2,461	1,847	2,461
Total assets	$ 411,891	$ 633,279	$ 616,445	$ 428,725
Liabilities:				
Accounts payable	$ 20,370	$ 12,300	$ 20,370	$ 12,300
Due to other governments	391,521	620,979	596,075	416,425
Total liabilities	$ 411,891	$ 633,279	$ 616,445	$ 428,725
Advance Tax Payments				
Assets:				
Cash and pooled investments:				
County Treasurer	$ 11,623	$ -	$ 11,623	$ -
Liabilities:				
Due to other governments	$ 11,623	$ -	$ 11,623	$ -
Flexible Benefits				
Assets:				
Cash and pooled investments:				
County Treasurer	$ 862	$ 200	$ 276	$ 786
Liabilities:				
Accounts payable	$ 862	$ 200	$ 276	$ 786
County Recorder's Electronic Fee				
Assets:				
Cash and pooled investments:				
County Treasurer	$ 187	$ 1,921	$ 1,926	$ 182
Liabilities:				
Due to other governments	$ 187	$ 1,921	$ 1,926	$ 182

Total Combined Funds	Balance 6/30/14	Additions	Deletions	Balance 6/30/15
Assets:				
Cash and pooled investments:				
County Treasurer	$ 973,388	$ 16,787,258	$ 16,715,023	$ 1,045,623
Other County officials	18,494	300,971	308,591	10,874
Drainage districts	225,127	-	-	225,127
Receivables:				
Property tax:				
Delinquent	61,035	64,149	61,035	64,149
Succeeding year	11,893,270	11,977,681	11,893,270	11,977,681
Drainage assessments	1,847	2,461	1,847	2,461
Special assessments	40,514	46,634	40,514	46,634
Prepaid expenses	36,120	8,994	36,120	8,994
Total assets	$ 13,249,795	$ 29,188,148	$ 29,056,400	$ 13,381,543
Liabilities:				
Accounts payable	$ 24,668	$ 14,593	$ 24,082	$ 15,179
Due to other funds	-	151,920	151,920	-
Due to other governments	13,216,553	28,972,024	28,828,795	13,359,782
Trusts payable	8,574	49,611	51,603	6,582
Total liabilities	$ 13,249,795	$ 29,188,148	$ 29,056,400	$ 13,381,543

		2015		2014		2013		2012
Revenues:								
Property and other County tax	$	5,905,182	$	6,027,352	$	5,945,223	$	5,886,042
Interest and penalty on property tax		46,090		42,648		51,180		45,544
Intergovernmental		8,444,828		12,651,232		3,836,950		7,028,577
Licenses and permits		19,263		22,087		17,042		19,869
Charges for service		614,077		577,940		544,049		549,618
Use of money and property		45,502		42,651		42,119		26,255
Miscellaneous		84,740		146,414		70,321		38,738
Total revenues	$	15,159,682	$	19,510,324	$	10,506,884	$	13,594,643
Expenditures:								
Operating:								
Public safety and legal services	$	2,742,725	$	2,619,562	$	2,541,121	$	2,454,418
Physical health and social services		684,927		673,276		610,992		525,955
Mental health		322,304		350,707		409,441		1,606,432
County environment and education		3,843,491		2,433,738		1,243,495		2,279,636
Roads and transportation		3,456,598		3,240,102		3,374,173		3,011,934
Governmental services to residents		302,326		270,130		278,545		301,982
Administration		1,048,317		1,019,681		903,241		858,206
Non-program		-		-		1,479		703
Debt service		2,843,470		403,483		407,942		415,887
Capital projects		2,145,181		7,621,986		161,157		2,425,678
Total expenditures	$	17,389,339	$	18,632,665	$	9,931,586	$	13,880,831

2011	2010	2009	2008	2007	2006
$ 5,562,829	$ 5,219,053	$ 5,207,976	$ 4,552,144	$ 4,095,113	$ 4,062,904
54,854	45,754	37,700	37,207	44,251	44,075
5,053,863	5,656,433	5,220,827	3,526,956	3,297,773	3,150,350
10,779	17,987	21,962	18,288	13,813	23,267
626,247	610,413	690,813	581,086	550,392	498,654
30,966	39,333	124,419	185,435	250,059	200,662
57,573	186,465	71,626	355,467	174,214	139,439
$ 11,397,111	$ 11,775,438	$ 11,375,323	$ 9,256,583	$ 8,425,615	$ 8,119,351
$ 2,254,099	$ 2,139,384	$ 1,908,508	$ 1,761,007	$ 1,655,571	$ 1,537,041
619,104	634,659	567,081	568,800	524,944	555,735
1,321,432	1,176,552	1,214,267	1,206,049	1,019,139	948,009
2,095,707	656,061	620,407	802,348	769,636	435,290
3,415,927	3,199,657	3,919,380	3,075,632	2,781,601	2,497,345
283,786	281,186	259,047	253,424	269,935	338,758
892,421	1,498,709	1,039,659	1,012,531	947,402	822,266
19,206	165,644	3,263	118	204	95
355,650	356,298	364,940	277,914	165,061	175,581
592,844	1,760,774	3,333,855	685,925	1,107,875	823,623
$ 11,850,176	$ 11,868,924	$ 13,230,407	$ 9,643,748	$ 9,241,368	$ 8,133,743

Information Provided to Comply with *Government Auditing Standards* and OMB Circular A-133
June 30, 2015

Louisa County

CPAs & BUSINESS ADVISORS

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

To the Officials of Louisa County:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Louisa County, Iowa, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Louisa County's basic financial statements, and have issued our report thereon dated January 18, 2016.

Internal Control over Financial Reporting

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

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 a certain deficiency in internal control over financial reporting that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency in internal control described in Part II of the accompanying Schedule of Findings and Questioned Costs as item 2015-A 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 deficiencies described in Part II of the accompanying Schedule of Findings and Questioned Costs as items 2015-B, 2015-C, and 2015-D to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

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.

County's Response to Findings

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

Purpose of this Report

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

Eide Bailly LLP

Dubuque, Iowa
January 18, 2016

Eide Bailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133

To the Officials of Louisa County:

Report on Compliance for the Major Federal Program

We have audited Louisa County, Iowa's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended June 30, 2015. The County's major federal program is identified in the summary of auditor's results section 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 grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for the 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 auditing standards generally accepted in the United States of America; 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 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 the 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 the County's compliance with those requirements.

Basis for Qualified Opinion on Community Development Block Grant Grants/State's Program and Non-Entitlement Grants in Hawaii

As described in the accompanying schedule of findings and questioned costs, the County did not comply with the requirements regarding CFDA 14.228 Community Development Block Grant Grants/ State's Program and Non-Entitlement Grants in Hawaii as described in finding number 2015-001 for Subrecipient Monitoring. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

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Qualified Opinion on Community Development Block Grant Grants/State's Program and Non-Entitlement Grants in Hawaii

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Community Development Block Grant Grants/State's Program and Non-Entitlement Grants in Hawaii for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of Louisa County is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the 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 for the purpose of expressing our opinion on compliance 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 the County's internal control over compliance.

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in Part III in the accompanying schedule of findings and questioned costs as item 2015-001 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Eide Bailly LLP

Dubuque, Iowa
January 18, 2016

Grantor/Program	CFDA Number	Pass-Through Entity Identifying Number	Program Expenditures
U.S. Department of Agriculture:			
Pass-through program from:			
Iowa Department of Human Services			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	$ 1,303
U.S. Department of Commerce			
Pass-through program from:			
Iowa Department of Economic Development			
Investments for Public Works and Economic Development Facilities	11.300	05-79-05008	1,845,576
U.S. Department of Housing and Urban Development:			
Pass-through program from:			
Iowa Department of Economic Development			
Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii	14.228	08-DRI-214	283,229
Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii	14.228	08-DRIEF-249	3,209,532
Total U.S. Department of Housing and Urban Development			3,492,761
U.S. Department of Justice:			
Direct program:			
State Criminal Alien Assistance Program	16.606		8,061
Bulletproof Vest Partnership Program	16.607		413
Total U.S. Department of Justice			8,474
U.S. Department of Transportation:			
Pass-through program from:			
Iowa Department of Transportation			
Highway Planning and Construction	20.205	FLAP-CO58(049)--7L-58	26,311
Iowa Department of Public Safety			
State and Community Highway Safety	20.600	14-402-M0OP, Task 29-90-00	2,957
State and Community Highway Safety	20.600	15-402-M0OP, Task 28-70-00	1,568
			4,525
Total U.S. Department of Transportation			30,836

Grantor/Program	CFDA Number	Entity Identifying Number	Program Expenditures
U.S. Department of Health and Human Services:			
Pass-through program from:			
Iowa Department of Human Services			
Public Health Emergency Preparedness	93.069	5884BT38	$ 23,539
Iowa Department of Public Health			
Project Grants and Cooperative Agreements			
for Tuberculosis Control Programs	93.116	MOU2015TB11	2,400
Iowa Department of Human Services			
Immunization Cooperative Agreements	93.268	5884I449	14,817
Refugee and Entrant Assistance -			
State Administered Programs	93.566	N/A	4
Child Care Mandatory and Matching			
Funds of the Child Care and			
Development Fund	93.596	N/A	351
Foster Care Title IV-E	93.658	N/A	503
Adoption Assistance	93.659	N/A	171
Social Services Block Grant	93.667	MHDS09-087	1,021
Social Services Block Grant	93.667	N/A	347
			1,368
Children's Health Insurance Program	93.767	N/A	8
Medical Assistance Program	93.778	N/A	2,535
Total U.S. Department of Health and Human Services			45,696
U.S. Department of Homeland Security:			
Pass-through program from:			
Iowa Department of Homeland Security &			
Emergency Management			
Hazard Mitigation Grant	97.039	58315006099	21,579
Total			$ 5,446,225

N/A - Not available

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Louisa County, Iowa, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The County received federal awards both directly from federal agencies and indirectly through pass-through entities. Federal financial assistance provided to a subrecipient is treated as an expenditure when it is paid to the subrecipient.

Note 2 - Significant Accounting Policies

Governmental fund types account for the County's federal grant activity. Therefore, expenditures in the schedule of expenditures of federal awards are recognized on the modified accrual basis – when they become a demand on current available financial resources. The County's summary of significant accounting policies is presented in Note 1 in the County's basic financial statements.

Note 3 - Subrecipients

Of the federal expenditures presented in the schedule, Louisa County provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	$ 3,209,532

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

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major program:	Qualified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 §.510(a):	Yes
Identification of major program:	

Name of Federal Program	CFDA Number
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228

Dollar threshold used to distinguish between type A and type B programs:	$300,000
Auditee qualified as low-risk auditee?	No

Part II: Findings Related to the Financial Statements:

MATERIAL WEAKNESS

2015-A Preparation of Financial Statements

Criteria – A properly designed system of internal control over financial reporting calls for the preparation of an entity's financial statements, accompanying notes to the financial statements, and schedule of expenditures of federal awards by internal personnel of the entity.

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

Condition – As auditors, we were requested to draft the financial statements, accompanying notes to the financial statements, and schedule of expenditures of federal awards. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Cause – We recognize that with a limited number of office employees, preparation of the financial statements is difficult.

Effect – The effect of this condition is that the financial reporting is prepared by a party outside of the entity. The outside party does not have the constant contact with ongoing financial transactions that internal staff have.

Recommendation – We recommend that County officials continue reviewing operating procedures in order to obtain the maximum internal control over financial reporting possible under the circumstances to enable staff to draft the financial reports internally.

Response – The County will continue to review operating procedures and segregate employee duties to the extent financially feasible to maximize internal control. At this time, the County does not have the resources to hire additional staff to draft the financial reports internally.

SIGNIFICANT DEFICIENCIES

2015-B Capital Asset Completion Procedures

Criteria – A properly designed system of internal control over financial reporting allows for the preparation of financial statements which are free from material misstatement and presented in conformity with generally accepted accounting principles (GAAP).

Condition – As a result of our audit procedures, we noted a lack of internal control procedures designed to ensure the completion of the County's capital asset records.

Cause – The capital asset procedures relating to the completion of the capital asset records rely solely on information received from County departments.

Effect – The lack of completion procedures could result in incomplete capital asset records and ultimately financial data not in accordance with generally accepted accounting principles.

Recommendation – We recommend that County staff implement additional capital asset procedures to ensure all capital assets are being recorded. Additional procedures should include a review of the County's disbursement records for capital assets purchased.

Response – The Auditor's Office has sent out reminders to the different departments regarding the tracking of assets. They are to complete and submit an asset sheet to the Auditor's Office detailing the new or replacement of capital assets for that department. In addition, the Auditor's Office will identify and accumulate capital asset information while claims are being processed for payment.

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

2015-C Sheriff's Office Segregation of Duties

Criteria – Properly designed segregation of duties allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.

Condition – The Sheriff's office has various procedures implemented to enhance internal controls. However, due to staffing constraints, the County is still unable to fully segregate the receipt and posting functions.

Cause – With a limited number of office employees, segregation of duties is difficult.

Effect – Since job functions were not properly segregated, misstatements may not have been prevented or detected on a timely basis in the normal course of operations.

Recommendation – County officials should review the operating procedures of the office to obtain the maximum internal control over financial reporting possible under the circumstances.

Response – The Sheriff's Office will review the operating procedures, but due to personnel limitations additional procedures to increase internal control are not expected.

2015-D Treasurer's Office Segregation of Duties

Criteria – Properly designed segregation of duties allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.

Condition – The Treasurer's office has various procedures implemented to enhance internal controls. However, due to staffing constraints, the County is still unable to fully segregate the receipt and posting functions.

Cause – With a limited number of office employees, segregation of duties is difficult.

Effect – Since job functions were not properly segregated, misstatements may not have been prevented or detected on a timely basis in the normal course of operations.

Recommendation – County officials should review the operating procedures of the office to obtain the maximum internal control possible under the circumstances.

Response – The Treasurer's Office continues to review operating procedures on a regular basis and does everything in its power to maximize internal control. The Treasurer's Office does the best they can with the number of employees available.

Part III: Findings and Questioned Costs for Federal Awards:

MATERIAL WEAKNESS/MATERIAL NONCOMPLIANCE:

2015-001 Subrecipient Monitoring
U.S. Department of Housing and Urban Development
CFDA #14.228 Community Development Block Grant Grants/State's Program and Non-Entitlement Grants in Hawaii

Criteria – A properly designed system of internal control over compliance with the requirements of federal programs allows entities to meet those requirements set forth by the federal government in administering federal grants. The provisions of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and 31 USC 7502 (Single Audit Act Amendments of 1996, Pub. L. No. 104-156) require the recipient of federal grants to perform certain monitoring functions when passing funds through to a subrecipient in order to ensure that the subrecipient is following all applicable requirements.

Condition – It appears there was no internal control procedure in place to ensure the County's subrecipients have the required single audits performed.

Cause – There was miscommunication between the state granting agency and Louisa County that made Louisa County believe that single audits were not required from the County's subrecipients.

Effect – One of the County's subrecipients did not comply with the single audit requirements. Consequently, the County is not in compliance with their subrecipient monitoring responsibilities.

Questioned costs – None identified.

Recommendation – The County should put procedures in place to insure proper subrecipient monitoring related to single audit requirement are in effect.

Response – Management will meet with the subrecipient to review processes and implement monitoring procedures.

Part IV: Other Findings Related to Required Statutory Reporting:

2015-IA-A **Certified Budget** – Disbursements during the year ended June 30, 2015, did not exceed the amounts budgeted.

2015-IA-B **Questionable Expenditures** – No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979, were noted.

2015-IA-C **Travel Expense** – No expenditures of County money for travel expenses of spouses of County officials and/or employees were noted.

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

2015-IA-D **Business Transactions** – Business transactions between the County and County officials and/or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Staci Griffin, employee	Services	$ 963
Staci Griffin, employee, spouse is Jason Griffin , owner of G-2 Firearms	Services	465

In accordance with Chapter 331.342 (10) of the Code of Iowa, the transactions with Jason Griffin and G-2 Firearms do not appear to represent conflicts of interest since total transactions with each individual were less than $1,500 during the fiscal year.

2015-IA-E **Bond Coverage** – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.

2015-IA-F **Board Minutes** – No transactions were found that we believe should have been approved in the Board minutes but were not.

2015-IA-G **Deposits and Investments** – No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.

2015-IA-H **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).

2015-IA-I **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.

Comment Number	Comment Title	Corrective Action Plan	Contact Person, Title, Phone Number	Anticipated Date of Completion
Findings Related to the Basic Financial Statements:				
2015-A	Preparation of Financial Statements	The corrective action plan was documented in our response to the auditor's comment. See the Schedule of Findings and Questioned Costs.	Sandi Elliott, County Auditor 319-523-3371	Not determined at this date.
2015-B	Capital Asset Completion Procedures	The corrective action plan was documented in our response to the auditor's comment. See the Schedule of Findings and Questioned Costs.	Sandi Elliott, County Auditor 319-523-3371	Not determined at this date.
2015-C	Sheriff's Office Segregation of Duties	The corrective action plan was documented in our response to the auditor's comment. See the Schedule of Findings and Questioned Costs.	Sandi Elliott, County Auditor 319-523-3371	Not determined at this date
2015-D	Treasurer's Office Segregation of Duties	The corrective action plan was documented in our response to the auditor's comment. See the Schedule of Findings and Questioned Costs.	Sandi Elliott, County Auditor 319-523-3371	Not determined at this date
Findings Related to Federal Awards:				
2015-001	Subrecipient Monitoring	The corrective action plan was documented in our response to the auditor's comment. See the Schedule of Findings and Questioned Costs.	Sandi Elliott, County Auditor 319-523-3371	June 30, 2015

There were no prior year federal findings.