



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 281-6518

Rob Sand
Auditor of State

NEWS RELEASE

FOR RELEASE

June 16, 2021

Contact: Marlys Gaston
515/281-5834

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

FINANCIAL HIGHLIGHTS:

The County's revenues totaled \$33,074,602 for the year ended June 30, 2020, a 4.8% increase over the prior year. Expenses for County operations for the year ended June 30, 2020 totaled \$28,522,982 a decrease of 0.4% from the prior year. The significant increase in the revenues is due primarily to increased property tax receipts.

AUDIT FINDINGS:

Sand reported eight findings related to the receipt and expenditure of taxpayer funds. They are found on pages 78 through 84 of this report. The findings address issues such as lack of segregation of duties, material amounts of revenues, accounts receivables, accounts payable, prepaid expenses and capital asset additions were not properly recorded in the County's financial statements and disbursements exceeding budgeted amounts prior to amendment. Sand provided the County with recommendations to address each of these findings.

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

A copy of the audit report is available for review on the Auditor of State's web site at <https://auditor.iowa.gov/audit-reports>.

#

JASPER COUNTY

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

JUNE 30, 2020

Jasper County



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 281-6518

Rob Sand
Auditor of State

May 19, 2021

Officials of Jasper County
Newton, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for Jasper County for the year ended June 30, 2020. The audit was performed pursuant to Chapter 11.6 of the Code of Iowa, and in accordance with U.S. auditing standards and the standards applicable to financial audits contained in Government Auditing Standards.

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

Sincerely,

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

Rob Sand
Auditor of State

Table of Contents

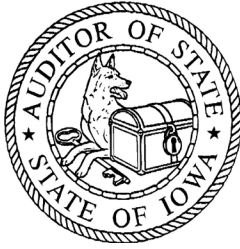
		<u>Page</u>
Officials		3
Independent Auditor’s Report		5-7
Management’s Discussion and Analysis		8-15
Basic Financial Statements:	<u>Exhibit</u>	
Government-wide Financial Statements:		
Statement of Net Position	A	18
Statement of Activities	B	19
Governmental Fund Financial Statements:		
Balance Sheet	C	20-21
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	D	23
Statement of Revenues, Expenditures and Changes in Fund Balances	E	24-25
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	F	26
Fiduciary Fund Financial Statements:		
Statement of Fiduciary Net Position	G	27
Statement of Changes in Fiduciary Net Position	H	29
Notes to Financial Statements		30-52
Required Supplementary Information:		
Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances – Budget and Actual (Cash Basis) – All Governmental Funds		54-55
Budget to GAAP Reconciliation		56
Notes to Required Supplementary Information – Budgetary Reporting		57
Schedule of the County’s Proportionate Share of the Net Pension Liability		58-59
Schedule of County Contributions		60-61
Notes to Required Supplementary Information – Pension Liability		62
Schedule of Changes in the County’s Total OPEB Liability, Related Ratios and Notes		63
Supplementary Information:	<u>Schedule</u>	
Nonmajor Governmental Funds:		
Combining Balance Sheet	1	66-67
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	2	68-69
Agency Funds:		
Combining Schedule of Fiduciary Assets and Liabilities	3	70-71
Combining Schedule of Changes in Fiduciary Assets and Liabilities	4	72-73
Schedule of Revenues by Source and Expenditures by Function – All Governmental Funds	5	74-75
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		76-77
Schedule of Findings		78-84
Staff		85

Jasper County

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Doug Cupples	Board of Supervisors	Jan 2021
Dennis Carpenter	Board of Supervisors	Jan 2023
Brandon Talsma	Board of Supervisors	Jan 2023
Dennis Parrott	County Auditor	Jan 2021
Doug Bishop	County Treasurer	Jan 2023
Denise Allan	County Recorder	Jan 2023
John Halferty	County Sheriff	Jan 2021
Scott Nicholson	County Attorney	Jan 2023
Tracy DeJong	County Assessor	Jan 2022

Jasper County



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

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 281-6518

Independent Auditor's Report

To the Officials of Jasper 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 Jasper County, Iowa, as of and for the year ended June 30, 2020, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Jasper County as of June 30, 2020, and the respective changes in its financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 8 through 15 and 54 through 63 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 U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

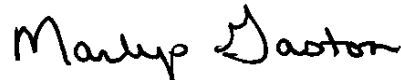
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Jasper County's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2019 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 19, 2021 on our consideration of Jasper County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Jasper County's internal control over financial reporting and compliance.



Marlys K. Gaston, CPA
Deputy Auditor of State

May 19, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Jasper County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2020. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2020 FINANCIAL HIGHLIGHTS

- Revenues of the County's governmental activities increased 4.8%, or approximately \$1,507,000, from fiscal year 2019 to fiscal year 2020. Property tax increased approximately \$1,260,000, charges for services increased approximately \$612,000 and operating grants, contributions and restricted interest increased approximately \$606,000. Capital grants, contributions and restricted interest decreased approximately \$861,000.
- Program expenses of the County's governmental activities decreased 0.4%, or approximately \$116,000, from fiscal year 2019 to fiscal year 2020. Expenses increased approximately \$820,000 in the administration function, approximately \$686,000 in the mental health function and approximately \$561,000 in the public safety and legal services function. Expenses decreased approximately \$2,485,000 in the roads and transportation function.
- The County's net position increased 7.9%, or approximately \$4,552,000, over the June 30, 2019 balance.

USING THIS ANNUAL REPORT

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

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

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

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Jasper County's operations in more detail than the government-wide financial statements by providing information about the most significant funds. The remaining financial statements provide information about activities for which Jasper County acts solely as an agent or custodian for the benefit of those outside of County government (Agency Funds).

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

Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year, the County's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes.

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

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information which helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

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

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

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

Fund Financial Statements

The County has two kinds of funds:

- 1) Governmental funds account for most of the County's basic services. These focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Mental Health, Rural Services and Secondary Roads, 3) the Debt Service Fund, 4) the Capital Projects Fund and 5) the Permanent Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

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

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

The required financial statements for fiduciary funds include a Statement of Fiduciary Assets and Liabilities.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. The analysis that follows focuses on the changes in the net position of governmental activities, prior to restatement.

Net Position of Governmental Activities (Expressed in Thousands)		
	June 30,	
	2020	2019
Current and other assets	\$ 35,816	32,649
Capital assets	58,586	56,849
Total assets	94,402	89,498
Deferred outflows of resources	2,135	2,360
Long-term liabilities	14,083	15,453
Other liabilities	1,881	1,287
Total liabilities	15,964	16,740
Deferred inflows of resources	18,070	17,167
Net position:		
Net investment in capital assets	56,415	54,224
Restricted	13,198	11,840
Unrestricted	(7,110)	(8,113)
Total net position	\$ 62,503	57,951

Net position of Jasper County's governmental activities increased 7.9% (approximately \$62.5 million compared to approximately \$58 million). The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased approximately \$2,191,000, or 4.0%, over the prior year.

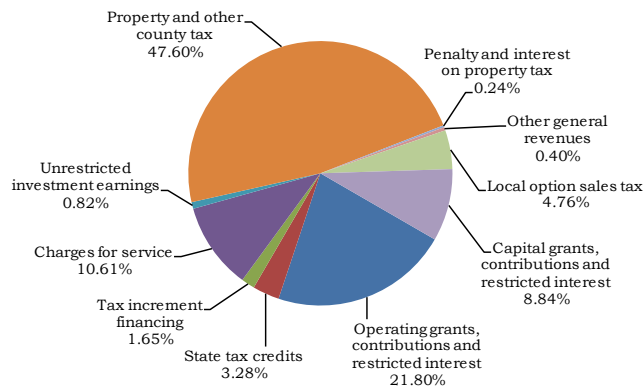
Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position category increased approximately \$1,358,000, or 11.5%, over the prior year. The increase is primarily due to an increase in secondary roads funds held at year end.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased from a deficit of approximately (\$8,113,000) at June 30, 2019 to a deficit of approximately (\$7,110,000) at the end of this year, an increase of 12.4%. This increase is primarily due to a decrease in the net pension liability.

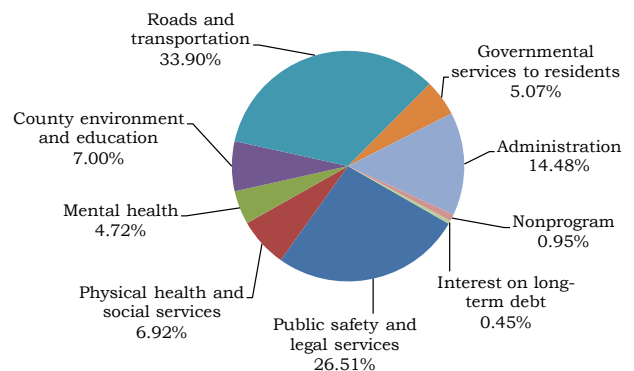
Changes in Net Position of Governmental Activities
(Expressed in Thousands)

	Year ended June 30,	
	2020	2019
Revenues:		
Program revenues:		
Charges for service	\$ 3,508	2,896
Operating grants, contributions and restricted interest	7,211	6,605
Capital grants, contributions and restricted interest	2,924	3,785
General revenues:		
Property and other county tax	15,745	14,485
Tax increment financing	545	606
Penalty and interest on property tax	79	135
State tax credits	1,085	1,105
Local option sales tax	1,575	1,444
Unrestricted investment earnings	270	258
Other general revenues	133	249
Total revenues	33,075	31,568
Program expenses:		
Public safety and legal services	7,561	7,000
Physical health and social services	1,973	1,931
Mental health	1,346	660
County environment and education	1,997	1,974
Roads and transportation	9,672	12,157
Governmental services to residents	1,446	1,328
Administration	4,129	3,309
Nonprogram	271	130
Interest on long-term debt	128	150
Total expenses	28,523	28,639
Change in net position	4,552	2,929
Net position beginning of year, as restated	57,951	55,022
Net position end of year	\$ 62,503	57,951

Revenues by Source



Expenses by Function



Jasper County's governmental activities net position increased approximately \$4,552,000 during the year. Revenues for governmental activities increased approximately \$1,507,000 over the prior year, including property tax revenue, which increased approximately \$1,260,000, or 8.7%.

The countywide property tax rate for fiscal year 2020 remained consistent. However, combined with increases in taxable valuations, the County's property tax revenue increased in fiscal year 2020. The general basic levy increased 2%, from \$4.42902 per \$1,000 of taxable valuation to \$4.52062 per \$1,000 of taxable valuation. The mental health and debt service levies decreased \$0.03385 and \$0.05775 per \$1,000 of taxable valuation, respectively.

The cost of all governmental activities this year was approximately \$28.5 million compared to approximately \$28.6 million last year. However, as shown in the Statement of Activities on page 19, the amount taxpayers ultimately financed for these activities was approximately \$14.9 million because some of the cost was paid by those directly benefited from the programs (approximately \$3,508,000) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately \$10,135,000). Overall, the County's governmental program revenues, including intergovernmental aid and fees for service, increased in fiscal year 2020 from approximately \$13,286,000 to approximately \$13,643,000, primarily due to a combination of increased road use tax revenue, increased charges for services related to the Iowa Department of Transportation sharing the costs of reconstruction and decreased contributions of roads and bridges paid for by the Iowa Department of Transportation.

INDIVIDUAL MAJOR FUND ANALYSIS

As Jasper County completed the year, its governmental funds reported a combined fund balance of approximately \$17 million, an increase of approximately \$2,153,000 above last year's total of approximately \$14.9 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues increased approximately \$1,263,000, or 8.7%, primarily due to an increase in property tax. Expenditures increased approximately \$794,000, or 5.5%. The ending fund balance increased approximately \$1,213,000, or 19.9%, over the prior year to \$7,307,172.
- The Special Revenue, Mental Health Fund balance decreased approximately \$501,000 during the year to \$131,898. For the year, expenditures totaled approximately \$1,328,000, an increase of 102.1% over the prior year, primarily due to an increase in the amount distributed to the region fiscal agent. During the year, the County remitted \$1,099,835 to the Central Iowa Community Services Mental Health Region, an increase of approximately \$645,000 over the prior year.
- Special Revenue, Rural Services Fund revenues increased approximately \$341,000, or 11.5%, primarily due to an increase in property taxes. Expenditures increased approximately \$340,000, or 60.7%, due to change in reporting the Sheriff Deputies expenditures from the General Fund to the Special Revenue, Rural Services Fund. The ending fund balance decreased approximately \$374,000 from the prior year to \$731,329.
- Special Revenue, Secondary Roads Fund revenues increased approximately \$475,000, or 7.6%, over the prior year, due principally to an increase in road use tax revenues. During the year, expenditures decreased approximately \$3,509,000, or 30.8%, primarily due to a reduction in asphalt and surfacing projects. The fund balance at June 30, 2020 was \$4,832,974, an increase of \$2,182,061.

- Debt Service Fund revenues decreased approximately \$58,000, or 6.6%, primarily due to a decrease in property tax due to the decrease in the debt service levy rate. Expenditures decreased approximately \$201,000. At year end, the fund balance was \$789,605 compared to the prior year ending balance of \$796,797, a decrease of \$7,192.
- Capital Projects Fund expenditures increased approximately \$1,100,000, or 206.7%, primarily due to projects at the County Courthouse, including the tuckpointing and LED lighting projects, as well as the purchase of the former NewCare Health Services Clinic, which will be used by various County Departments which were previously located in the County Annex Building. This increase in expenditures resulted in a decrease of approximately \$507,000, or 60.5%, to the Capital Projects Fund ending balance of \$331,664.

BUDGETARY HIGHLIGHTS

Over the course of the year, Jasper County amended its budget two times. The first amendment was made in April 2020 and increased budgeted disbursements in the public safety and legal services, mental health, county environment and education, roads and transportation, government services to residents, administration and nonprogram functions. The first budget amendment decreased budgeted disbursements in physical health and social services and capital projects functions. The first budget amendment increased budgeted other county taxes, intergovernmental, charges for service and miscellaneous receipts. The first budget amendment decreased use of money and property receipts. The final amendment was made in June 2020 and increased budgeted disbursements in the county environment and education, nonprogram and capital projects functions. The final amendment increased budgeted other county taxes, intergovernmental, licenses and permits and charges for service receipts.

The County's receipts were \$1,402,202 less than budgeted, a variance of 4.5%. The most significant variance resulted from the County receiving less intergovernmental receipts than anticipated.

Total disbursements were \$4,539,192 less than the amended budget, a variance of 13.8%. Actual disbursements for the public safety and legal services, roads and transportation and capital projects functions were \$1,112,551, \$1,194,035 and \$760,365, respectively, less than budgeted. This was primarily due to costs being less than anticipated.

The County exceeded the amounts budgeted in the non-program function prior to the second amendment. In addition, one department incurred disbursements prior to the approval of appropriations by department and disbursements in certain departments exceeded amounts appropriated.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2020, Jasper County had approximately \$58.6 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges and intangible assets. This is a net increase (including additions and deletions) of approximately \$1,736,000, or 3.1% over last year.

Capital Assets of Governmental Activities at Year End		
(Expressed in Thousands)		
	June 30,	
	2020	2019
Land	\$ 2,569	2,170
Construction in progress	6,148	10,073
Buildings and improvements	10,305	9,951
Equipment and vehicles	5,166	5,166
Intangibles	94	102
Infrastructure	34,304	29,388
Total	<u>\$ 58,586</u>	<u>56,850</u>

The County had depreciation/amortization expense of \$3,433,873 in fiscal year 2020 and total accumulated depreciation/amortization of \$46,487,341 at June 30, 2020. More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

Long-Term Debt

At June 30, 2020, Jasper County had approximately \$5,499,000 of general obligation bonds and capital loan notes and other debt outstanding, compared to approximately \$6,486,000 at June 30, 2019, as shown below:

Outstanding Debt of Governmental Activities at Year-End		
(Expressed in Thousands)		
	June 30,	
	2020	2019
General obligation bonds and capital loan notes	\$ 5,200	6,460
Municipal lease agreement	13	26
Installment purchase agreement	286	-
Total	<u>\$ 5,499</u>	<u>6,486</u>

The County carries a general obligation bond rating of Aa2 assigned by national rating agencies to the County's debt. The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. Jasper County's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$145 million. Additional information about the County's long-term debt is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Jasper County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2021 budget, tax rates and fees charged for various County activities. In an ongoing effort to maintain County services, the Jasper County Board of Supervisors is committed to limiting expenditure increases, using excess fund balances and reducing funding to non-mandated programs to provide essential services for the citizens of Jasper County.

The Jasper County Board of Supervisors has stated it is determined to use all of the one cent Local Option Sales and Services Tax (LOSST) funds for property tax relief. Therefore, in the fiscal year 2021 budget, all of the LOSST money estimated to be received in fiscal year 2021 (approximately \$900,000) was used to offset a property tax increase in fiscal year 2021.

Budgeted receipts in the operating budget are approximately \$29,540,000, a 4.7% decrease from the final fiscal year 2020 budget. Budgeted disbursements decreased approximately \$1,588,000 from the final fiscal year 2020 budget, primarily in the roads and transportation function. The County has added no major new programs or initiatives to the fiscal year 2021 budget.

If these estimates are realized, the County's budgetary operating balance is expected to decrease 15.8% by the close of fiscal year 2021.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Jasper County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Jasper County Auditor's Office, 101 1st Street N., Newton, Iowa 50208.

Jasper County

Basic Financial Statements

Jasper County
Statement of Net Position
June 30, 2020

	Governmental Activities
Assets	
Cash and pooled investments	\$ 15,900,273
Receivables:	
Property tax:	
Delinquent	164,089
Succeeding year	16,000,000
Succeeding year tax increment financing	544,000
Interest and penalty on property tax	143,266
Accounts	285,915
Loans	176,588
Due from other governments	1,075,573
Inventories	1,385,042
Prepaid expense	141,530
Capital assets, not being depreciated	8,717,107
Capital assets, net of accumulated depreciation/amortization	49,868,817
Total assets	94,402,200
Deferred Outflows of Resources	
Pension related deferred outflows	1,893,688
OPEB related deferred outflows	241,652
Total deferred outflows of resources	2,135,340
Liabilities	
Accounts payable	1,428,445
Accrued interest payable	9,323
Salaries and benefits payable	306,553
Due to other governments	62,405
Advances from grantor	74,410
Long-term liabilities:	
Portion due or payable within one year:	
General obligation capital loan notes	525,000
General obligation bonds	755,000
Municipal lease agreement	13,522
Installment purchase agreement	142,937
Compensated absences	629,868
Total OPEB liability	93,792
Portion due or payable after one year:	
General obligation capital loan notes	2,790,000
General obligation bonds	1,130,000
Installment purchase agreement	142,938
Compensated absences	1,422,913
Net pension liability	5,635,424
Total OPEB liability	801,646
Total liabilities	15,964,176
Deferred Inflows of Resources	
Unavailable property tax revenue	16,000,000
Unavailable tax increment financing revenue	544,000
Pension related deferred inflows	1,461,681
OPEB related deferred inflows	64,609
Total deferred inflows of resources	18,070,290
Net Position	
Net investment in capital assets	56,415,049
Restricted for:	
Nonexpendable:	
Permanent Fund	12,000
Expendable:	
Supplemental levy purposes	3,814,830
Mental health purposes	53,372
Rural services purposes	751,250
Secondary roads purposes	4,237,204
Local option sales and services tax purposes	1,687,377
Conservation land acquisition	208,593
Debt service	1,425,699
Capital projects	335,070
Other purposes	672,344
Unrestricted	(7,109,714)
Total net position	\$ 62,503,074

See notes to financial statements.

Jasper County

Statement of Activities

Year ended June 30, 2020

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
Functions/Programs:					
Governmental activities:					
Public safety and legal services	\$ 7,560,872	1,251,052	14,673	13,784	(6,281,363)
Physical health and social services	1,972,749	397,892	495,573	-	(1,079,284)
Mental health	1,345,806	-	-	-	(1,345,806)
County environment and education	1,996,799	127,715	648,605	315,147	(905,332)
Roads and transportation	9,672,461	545,828	6,036,829	2,594,669	(495,135)
Governmental services to residents	1,445,698	798,351	632	-	(646,715)
Administration	4,128,939	126,900	15,213	-	(3,986,826)
Non-program	271,131	259,791	55	-	(11,285)
Interest on long-term debt	128,527	-	-	-	(128,527)
Total	\$ 28,522,982	3,507,529	7,211,580	2,923,600	(14,880,273)
General Revenues:					
Property and other county tax levied for:					
General purposes					14,964,395
Debt service					781,084
Tax increment financing					545,208
Penalty and interest on property tax					78,600
State tax credits					1,085,116
Local option sales and services tax					1,574,586
Unrestricted investment earnings					270,032
Miscellaneous					132,872
Total general revenues					19,431,893
Change in net position					4,551,620
Net position beginning of year					57,951,454
Net position end of year					\$ 62,503,074

See notes to financial statements.

Jasper County
Balance Sheet
Governmental Funds

June 30, 2020

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Assets				
Cash and pooled investments	\$ 7,395,320	137,004	775,224	3,661,012
Receivables:				
Property tax:				
Delinquent	122,497	8,525	21,862	-
Succeeding year	11,619,000	914,000	2,619,000	-
Succeeding year tax increment financing	-	-	-	-
Interest and penalty on property tax	143,266	-	-	-
Accounts	120,776	-	35	165,104
Loans	-	-	-	176,588
Due from other governments	138,308	-	-	811,357
Inventories	-	-	-	1,385,042
Prepaid expenditures	141,530	-	-	-
Total assets	\$ 19,680,697	1,059,529	3,416,121	6,199,103
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 157,558	43	15,772	1,228,263
Salaries and benefits payable	222,542	5,063	2,996	75,952
Due to other governments	34,252	-	25,162	2,991
Advances from grantor	74,410	-	-	-
Total liabilities	488,762	5,106	43,930	1,307,206
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	11,619,000	914,000	2,619,000	-
Succeeding year tax increment financing	-	-	-	-
Other	265,763	8,525	21,862	58,923
Total deferred inflows of resources	11,884,763	922,525	2,640,862	58,923
Fund balances:				
Nonspendable:				
Inventories	-	-	-	1,385,042
Prepaid expenditures	141,530	-	-	-
Permanent fund	-	-	-	-
Restricted for:				
Supplemental levy purposes	3,835,255	-	-	-
Mental health purposes	-	131,898	-	-
Rural services purposes	-	-	731,329	-
Secondary roads purposes	-	-	-	3,447,932
Local option sales and services tax purposes	-	-	-	-
Conservation land acquisition	208,593	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Other purposes	99,796	-	-	-
Unassigned	3,021,998	-	-	-
Total fund balances	7,307,172	131,898	731,329	4,832,974
Total liabilities, deferred inflows of resources and fund balances	\$ 19,680,697	1,059,529	3,416,121	6,199,103

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
789,605	358,473	2,783,635	15,900,273
8,654	-	2,551	164,089
848,000	-	-	16,000,000
-	-	544,000	544,000
-	-	-	143,266
-	-	-	285,915
-	-	-	176,588
-	3,406	122,502	1,075,573
-	-	-	1,385,042
-	-	-	141,530
1,646,259	361,879	3,452,688	35,816,276
-	26,809	-	1,428,445
-	-	-	306,553
-	-	-	62,405
-	-	-	74,410
-	26,809	-	1,871,813
848,000	-	-	16,000,000
-	-	544,000	544,000
8,654	3,406	2,551	369,684
856,654	3,406	546,551	16,913,684
-	-	-	1,385,042
-	-	-	141,530
-	-	12,000	12,000
-	-	-	3,835,255
-	-	-	131,898
-	-	-	731,329
-	-	-	3,447,932
-	-	1,687,377	1,687,377
-	-	-	208,593
789,605	-	636,763	1,426,368
-	331,664	-	331,664
-	-	569,997	669,793
-	-	-	3,021,998
789,605	331,664	2,906,137	17,030,779
1,646,259	361,879	3,452,688	35,816,276

Jasper County

Jasper County

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

June 30, 2020

Total governmental fund balances (page 21) \$ 17,030,779

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$105,073,265 and the accumulated depreciation/amortization is \$46,487,341. 58,585,924

Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds. 369,684

Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:

Deferred outflows of resources	\$ 2,135,340	
Deferred inflows of resources	<u>(1,526,290)</u>	609,050

Long-term liabilities, including general obligation capital loan notes payable, general obligation bonds payable, municipal lease agreement payable, installment purchase agreement payable, compensated absences payable, net pension liability, total OPEB liability and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (14,092,363)

Net position of governmental activities (page 18) \$ 62,503,074

See notes to financial statements.

Jasper County

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

Year ended June 30, 2020

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Revenues:				
Property and other county tax	\$ 11,056,914	769,327	3,018,863	-
Tax increment financing	-	-	-	-
Local option sales and services tax	-	-	-	-
Interest and penalty on property tax	35,895	-	-	-
Intergovernmental	2,345,892	57,182	152,972	6,358,784
Licenses and permits	32,170	-	123,837	99,729
Charges for service	1,246,497	-	450	6,233
Use of money and property	332,026	-	-	-
Miscellaneous	670,018	-	1,976	261,586
Total revenues	15,719,412	826,509	3,298,098	6,726,332
Expenditures:				
Operating:				
Public safety and legal services	7,270,030	-	329,437	-
Physical health and social services	1,932,536	-	-	-
Mental health	-	1,327,774	-	-
County environment and education	1,051,783	-	571,574	-
Roads and transportation	-	-	-	7,879,945
Governmental services to residents	1,313,016	-	-	-
Administration	3,311,546	-	-	-
Non-program	270,516	-	-	-
Debt service	-	-	-	-
Capital projects	40,115	-	-	2,585
Total expenditures	15,189,542	1,327,774	901,011	7,882,530
Excess (deficiency) of revenues over (under) expenditures	529,870	(501,265)	2,397,087	(1,156,198)
Other financing sources (uses):				
Proceeds from installment purchase agreement	428,812	-	-	-
Proceeds from sale of capital assets	700	-	-	-
Transfers in	1,446,604	-	-	3,338,259
Transfers out	(1,193,300)	-	(2,771,564)	-
Total other financing sources (uses)	682,816	-	(2,771,564)	3,338,259
Change in fund balances	1,212,686	(501,265)	(374,477)	2,182,061
Fund balances beginning of year	6,094,486	633,163	1,105,806	2,650,913
Fund balances end of year	\$ 7,307,172	131,898	731,329	4,832,974

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
774,387	-	-	15,619,491
-	-	543,318	543,318
-	-	1,574,586	1,574,586
-	-	-	35,895
57,225	227,001	27,367	9,226,423
-	-	-	255,736
-	-	6,843	1,260,023
-	55	8,212	340,293
-	272,284	22,234	1,228,098
831,612	499,340	2,182,560	30,083,863
-	-	4,961	7,604,428
-	-	-	1,932,536
-	-	-	1,327,774
-	-	-	1,623,357
-	-	-	7,879,945
-	-	-	1,313,016
-	-	21,121	3,332,667
-	-	-	270,516
1,390,213	-	-	1,390,213
-	1,632,880	10,776	1,686,356
1,390,213	1,632,880	36,858	28,360,808
(558,601)	(1,133,540)	2,145,702	1,723,055
-	-	-	428,812
-	-	-	700
551,409	626,605	-	5,962,877
-	-	(1,998,013)	(5,962,877)
551,409	626,605	(1,998,013)	429,512
(7,192)	(506,935)	147,689	2,152,567
796,797	838,599	2,758,448	14,878,212
789,605	331,664	2,906,137	17,030,779

Jasper County

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

Year ended June 30, 2020

Change in fund balances - Total governmental funds (page 25) \$ 2,152,567

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

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

Expenditures for capital assets	\$ 2,364,784	
Capital assets contributed by the Iowa Department of Transportation	2,442,511	
Capital assets contributed by Private Sources	318,950	
Capital assets contributed by Tallgrass Prairie Audubon Society	80,860	
Capital assets contributed by the Jasper County 911 Service Board	13,784	
Depreciation/amortization expense	<u>(3,433,873)</u>	1,787,016

In the Statement of Activities, the loss on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources. (50,491)

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

Property tax	125,988	
Other	<u>8,646</u>	134,634

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

Issued	(428,812)	
Repaid	<u>1,415,801</u>	986,989

The current year County IPERS contributions is reported as expenditures in the governmental funds but is reported as deferred outflows of resources in the Statement of Net Position. 966,343

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Compensated absences	(65,532)	
Pension expense	(1,296,370)	
OPEB expense	(65,222)	
Interest on long-term debt	<u>1,686</u>	<u>(1,425,438)</u>

Change in net position of governmental activities (page 19) \$ 4,551,620

See notes to financial statements.

Jasper County
Statement of Fiduciary Net Position
Fiduciary Funds

June 30, 2020

	Other Employee Benefit	
	Trust	Agency
Assets		
Cash and pooled investments:		
County Treasurer	\$ 88,154	2,938,074
Other County officials	-	58,285
Receivables:		
Property tax:		
Delinquent	-	505,772
Succeeding year	-	43,162,000
Accounts	-	80,212
Special assessments	-	149,084
Due from other governments	-	67,025
	88,154	46,960,452
Liabilities		
Accounts payable	-	4,767
Salaries and benefits payable	-	13,120
Due to other governments	-	46,715,304
Trusts payable	-	137,607
Compensated absences	-	89,654
	-	46,960,452
Net position		
Held in trust for employee benefits	\$ 88,154	-

See notes to financial statements.

Jasper County

Jasper County
Statement of Changes in Fiduciary Net Position
Fiduciary Funds

Year ended June 30, 2020

	<u>Other Employee Benefit Trust</u>
Additions:	
Donations and contributions	<u>\$ 69,947</u>
Deductions:	
Distributions to participants	<u>60,588</u>
Change in net position held in trust	9,359
Net position beginning of year	<u>78,795</u>
Net position end of year	<u>\$ 88,154</u>

See notes to financial statements.

Jasper County

Notes to Financial Statements

June 30, 2020

(1) Summary of Significant Accounting Policies

Jasper County is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Treasurer, Recorder, Sheriff and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance and general administrative services.

The County's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

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

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

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

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

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

The County also participates in the Newton Sanitary Landfill, a jointly governed organization established pursuant to Chapter 28E of the Code of Iowa.

B. Basis of Presentation

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

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

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

Restricted net position:

Nonexpendable – Nonexpendable net position is subject to externally imposed stipulations which requires it to be maintained permanently by the County, including the County’s Permanent Fund.

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

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

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

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

The County reports the following major governmental funds:

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

Special Revenue:

The Mental Health Fund is used to account for property tax and other revenues to be used to fund mental health, intellectual disabilities and developmental disabilities services.

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

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

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

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

Additionally, the County reports the following fiduciary funds:

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position

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

Cash and Pooled Investments – The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund unless otherwise provided by law. Investments are stated at fair value except for non-negotiable certificates of deposit which are stated at 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 and tax increment financing receivables represent taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in 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 and tax increment financing receivables have been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which they are levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2018 assessed property valuations; is for the tax accrual period July 1, 2019 through June 30, 2020 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2019.

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.

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

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

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

Capital Assets – Capital assets, which include property, furniture and equipment and intangibles acquired after July 1, 1980 are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. 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.

<u>Asset Class</u>	<u>Amount</u>
Intangibles	\$ 100,000
Infrastructure	50,000
Land improvements	5,000
Land, buildings and improvements	5,000
Machinery, equipment and vehicles	5,000

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

Asset Class	Estimated Useful lives (In Years)
Buildings	40 - 50
Building improvements	20 - 50
Infrastructure	10 - 65
Intangibles	2 - 10
Improvements other than buildings	10 - 50
Machinery and equipment	2 - 20
Vehicles	3 - 15

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

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

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, sick leave and compensatory hours for subsequent use or for payment upon termination, death or retirement. Accumulated sick leave in excess of 1,440 hours will be paid at the last rate of pay to an employee upon retirement. Upon retirement, employees may elect to convert up to 720 hours of accumulated sick leave to cash to be accounted for in the Fiduciary, Employee Benefit Trust Fund and used for continued health care coverage. A liability is recorded when incurred in the government-wide 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, 2020. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

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

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

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Iowa Public Employees’ Retirement System (IPERS) and additions to/deductions from IPERS’ fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

Total OPEB Liability – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on the Jasper County’s actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

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

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

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

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

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

Unassigned – All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2020, disbursements exceeded the amounts budgeted in the non-program function prior to the second amendment. In addition, one department incurred disbursements prior to the approval of appropriations by department and disbursements in certain departments exceeded the amounts appropriated.

(2) Cash and Pooled Investments

The County's deposits in banks at June 30, 2020 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

The County had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

(3) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2020 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General	Special Revenue: Local Option Sales and Services Tax	<u>\$ 1,446,604</u>
Special Revenue: Secondary Roads	General Special Revenue: Rural Services	566,695 <u>2,771,564</u>
		<u>3,338,259</u>
Debt Service	Special Revenue: Tax Increment Financing	<u>551,409</u>
Capital Projects	General	<u>626,605</u>
Total		<u>\$ 5,962,877</u>

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

(4) Capital Assets

Capital assets activity for the year ended June 30, 2020 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 2,169,682	399,810	-	2,569,492
Construction in progress	10,073,172	3,207,092	7,132,649	6,147,615
Total capital assets not being depreciated/amortized	12,242,854	3,606,902	7,132,649	8,717,107
Capital assets being depreciated/amortized:				
Buildings	11,132,699	616,094	-	11,748,793
Improvements other than buildings	3,201,889	119,717	-	3,321,606
Machinery, equipment and vehicles	11,749,134	999,603	163,598	12,585,139
Intangibles	145,252	-	-	145,252
Infrastructure	61,542,436	7,012,932	-	68,555,368
Total capital assets being depreciated/amortized	87,771,410	8,748,346	163,598	96,356,158
Less accumulated depreciation/amortization for:				
Buildings	3,376,377	237,276	-	3,613,653
Improvements other than buildings	1,007,649	143,768	-	1,151,417
Machinery, equipment and vehicles	6,583,031	948,090	111,397	7,419,724
Intangibles	43,578	7,263	-	50,841
Infrastructure	32,154,230	2,097,476	-	34,251,706
Total accumulated depreciation/amortization	43,164,865	3,433,873	111,397	46,487,341
Total capital assets being depreciated/amortized, net	44,606,545	5,314,473	52,201	49,868,817
Governmental activities capital assets, net	\$ 56,849,399	8,921,375	7,184,850	58,585,924

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 511,978
Physical health and social services	5,258
County environment and education	78,765
Roads and transportation	2,576,263
Governmental services to residents	49,486
Administration	212,123
Total depreciation/amortization expense - governmental activities	<u>\$ 3,433,873</u>

Equipment costing \$473,392 was purchased under municipal lease and installment purchase agreements. Accumulated depreciation on these assets totaled \$70,916 at June 30, 2020.

(5) Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2020 is as follows:

Fund	Description	Amount
General	Services	\$ 34,252
Special Revenue:		
Rural Services		25,162
Secondary Roads		2,991
Total for governmental funds		<u>\$ 62,405</u>
Agency:		
County Assessor	Collections	\$ 1,035,475
Schools		27,253,184
Community Colleges		1,239,323
Corporations		11,055,951
Auto License and Use Tax		1,267,248
All other		4,864,123
Total for agency funds		<u>\$ 46,715,304</u>

(6) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2020 is as follows:

	General Obligation Capital Loan Notes	General Obligation Bonds	Municipal Lease Agreement	Installment Purchase Agreement	Compensated Absences	Net Pension Liability	Total OPEB Liability	Total
Balance beginning of year	\$ 3,835,000	2,625,000	26,386	-	1,987,249	6,374,232	605,053	15,452,920
Increases	-	-	-	428,812	748,103	-	290,385	1,467,300
Decreases	520,000	740,000	12,864	142,937	682,572	738,808	-	2,837,181
Balance end of year	<u>\$ 3,315,000</u>	<u>1,885,000</u>	<u>13,522</u>	<u>285,875</u>	<u>2,052,781</u>	<u>5,635,424</u>	<u>895,438</u>	<u>14,083,040</u>
Due within one year	\$ 525,000	755,000	13,522	142,937	629,868	-	93,792	2,160,119

General Obligation Capital Loan Notes

A summary of the County's June 30, 2020 general obligation capital loan note indebtedness is as follows:

Year Ending June 30,	Refunding Issued May 15, 2013			Refunding Issued May 16, 2016		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2021	1.20%	\$ 135,000	5,540	1.55%	\$ 390,000	62,590
2022	1.35	140,000	3,920	1.80	395,000	56,545
2023	1.45	140,000	2,030	2.00	405,000	49,435
2024		-	-	2.20	410,000	41,335
2025		-	-	2.35	420,000	32,315
2026-2028		-	-	2.50-2.60	880,000	34,015
Total		<u>\$ 415,000</u>	<u>11,490</u>		<u>\$ 2,900,000</u>	<u>276,235</u>

Year Ending June 30,	Total		
	Principal	Interest	Total
2021	\$ 525,000	68,130	593,130
2022	535,000	60,465	595,465
2023	545,000	51,465	596,465
2024	410,000	41,335	451,335
2025	420,000	32,315	452,315
2026-2028	880,000	34,015	914,015
Total	<u>\$ 3,315,000</u>	<u>287,725</u>	<u>3,602,725</u>

On May 15, 2013, the County issued \$1,690,000 of general obligation capital loan notes for the purpose of refunding \$1,630,000 of general obligation bonds dated March 1, 2005. The notes bear interest at rates ranging from 0.30% to 1.45 %, per annum, and mature in June 2023. During the year ended June 30, the County paid principal of \$135,000 and interest of \$6,890 on the notes.

On May 16, 2016, the County issued \$3,665,000 of general obligation capital loan notes for the purpose of refunding \$3,500,000 of general obligation urban renewal bonds dated November 1, 2007. The notes bear interest at rates ranging from 1.15%% to 2.60% per annum, and mature in June 2027. During the year ended June 30, 2020, the County paid principal of \$385,000 and interest of \$67,788 on the notes.

General Obligation Bonds

A summary of the County's June 30, 2020 general obligation bonded indebtedness is as follows:

Year Ending June 30,	Courthouse Improvement and Refunding			Refunding		
	Issued Jan 10, 2012			Issued Jan 10, 2012		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2021	2.00%	\$ 325,000	11,660	2.00%	\$ 430,000	28,185
2022	2.15	240,000	5,160	2.15	440,000	19,585
2023		-	-	2.25	450,000	10,125
Total		<u>\$ 565,000</u>	<u>16,820</u>		<u>\$ 1,320,000</u>	<u>57,895</u>

Year Ending June 30,	Total		
	Principal	Interest	Total
2021	\$ 755,000	39,845	794,845
2022	680,000	24,745	704,745
2023	450,000	10,125	460,125
Total	<u>\$ 1,885,000</u>	<u>74,715</u>	<u>1,959,715</u>

On January 10, 2012, the County issued \$2,580,000 of general obligation bonds for the purpose of refunding \$1,130,000 of general obligation bonds dated July 26, 2001 and February 15, 2006 and for the acquisition, equipping and installation of heating and cooling system improvements for the courthouse. The bonds bear interest at rates ranging from 0.30% to 2.15% per annum, and mature in June 2022. During the year ended June 30, 2020, the County paid principal of \$320,000 and interest of \$17,580 on the bonds.

On January 10, 2012, the County issued \$4,130,000 of general obligation bonds for the purpose of refunding \$3,830,000 general obligation bonds dated November 1, 2003. The bonds bear interest at rates ranging from 0.05% to 2.25% per annum, and mature in June 2023. During the year ended June 30, 2020, the County paid principal of \$420,000 and interest of \$35,955 on the bonds.

Municipal Lease Agreement

During the year ended June 30, 2019, the County entered into a municipal lease agreement of \$52,298, including interest at 5.12% per annum, for a new Bobcat T595 Compact Track Loader for the Conservation Department. The following is a schedule of the future minimum lease payments under the agreement in effect at June 30, 2020:

Year Ending June 30,	Principal	Interest	Total
2021	<u>\$ 13,522</u>	<u>692</u>	<u>14,214</u>

Payments for the municipal lease agreement totaled \$12,864 for the year ended June 30, 2020, including interest of \$1,350.

Installment Purchase Agreement

The County entered an installment purchase agreement for Harris P25 radio infrastructure, installation and maintenance services of the equipment with a total cost of \$428,812. The agreement bears 0% interest per annum and is payable in three equal installments of \$142,937. The following is a schedule of the future minimum installment payments under the agreement in effect at June 30, 2020.

Year Ending June 30,	Principal
2021	\$ 142,937
2022	142,938
Total	\$ 285,875

Payments for the installment purchase agreement total \$142,937 for the year ended June 30, 2020.

(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 the Iowa Public Employees’ Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at PO Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

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

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

Sheriffs, deputies and protection occupation members may retire at normal retirement age, which is generally at age 55. Sheriffs, deputies and protection occupation members may retire any time after reaching age 50 with 22 or more years of covered employment.

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

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

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

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

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

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

In fiscal year 2020, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the County contributed 9.44% for a total rate of 15.73%. The Sheriff, deputies and the County each contributed 9.51% of covered payroll for a total rate of 19.02%. Protection occupation members contributed 6.61% of covered payroll and the County contributed 9.91% for a total rate of 16.52%.

The County's contributions to IPERS for the year ended June 30, 2020 totaled \$966,343.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2020, the County reported a liability of \$5,635,424 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2019, the County's proportion was 0.097319%, which was a decrease of 0.003408% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$1,296,370. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 38,771	243,524
Changes of assumptions	824,506	180,906
Net difference between projected and actual earnings on IPERS' investments	-	926,767
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	64,068	110,484
County contributions subsequent to the measurement date	966,343	-
Total	<u>\$ 1,893,688</u>	<u>1,461,681</u>

\$966,343 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	Amount
2020	\$ 112,854
2021	(279,202)
2022	(197,741)
2023	(155,898)
2024	(14,349)
Total	<u>\$ (534,336)</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2017)	2.60% per annum.
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2019 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of 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
Domestic equity	22.0%	5.60%
International equity	15.0	6.08
Global smart beta equity	3.0	5.82
Core plus fixed income	27.0	1.71
Public credit	3.5	3.32
Public real assets	7.0	2.81
Cash	1.0	(0.21)
Private equity	11.0	10.13
Private real assets	7.5	4.76
Private credit	3.0	3.01
Total	<u>100.0%</u>	

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

Sensitivity of the County's Proportionate Share of the Net Pension Liability 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 7.00%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$ 11,803,070	5,635,424	463,655

IPERS' Fiduciary Net Position – Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to IPERS – All legally required County contributions and legally required employee contributions which had been withheld from employee wages were remitted by the County to IPERS by June 30, 2020.

(8) Other Postemployment Benefits (OPEB)

Plan Description – The County administers a single-employer benefit plan which provides medical, prescription drug and dental benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB Benefits – Individuals who are employed by Jasper County and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical, prescription drug and dental benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	12
Active employees	<u>167</u>
Total	<u>179</u>

Total OPEB Liability – The County’s total OPEB liability of \$895,438 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2020)	2.60% per annum.
Rates of salary increase (effective June 30, 2020)	3.25% per annum, including inflation.
Discount rate (effective June 30, 2020)	2.66% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2020)	7.50% initial rate decreasing by .5% annually to an ultimate rate of 4.50%.

Discount Rate – The discount rate used to measure the total OPEB liability was 2.66% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019, SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2019 and SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2019. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 605,053
Changes for the year:	
Service cost	51,073
Interest	22,500
Differences between expected and actual experiences	212,157
Changes in assumptions	35,093
Benefit payments	<u>(30,438)</u>
Net changes	<u>290,385</u>
Total OPEB liability end of year	<u>\$ 895,438</u>

Changes of assumptions reflect a change in the discount rate from 3.51% in fiscal year 2019 to 2.66% in fiscal year 2020.

Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.66%) or 1% higher (3.66%) than the current discount rate.

	<u>1% Decrease (1.66%)</u>	<u>Discount Rate (2.66%)</u>	<u>1% Increase (3.66%)</u>
Total OPEB liability	\$ 957,698	895,438	836,958

Sensitivity of the County's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (6.50%) or 1% higher (8.50%) than the current healthcare cost trend rates.

	<u>1% Decrease (6.50%)</u>	<u>Healthcare Cost Trend Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Total OPEB liability	\$ 800,512	895,438	1,007,574

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2020, the County recognized OPEB expense of \$95,660. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 200,412	43,787
Changes in assumptions	41,240	20,822
Total	<u>\$ 241,652</u>	<u>64,609</u>

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

Year ending June 30,	Amount
2021	\$ 22,205
2022	22,205
2023	22,205
2024	22,205
2025	22,205
Thereafter	<u>66,018</u>
	<u>\$ 177,043</u>

(9) Risk Management

The County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 779 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 estimated for the fiscal year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of basis rate.

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

The County's property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The County's contributions to the Pool for the year ended June 30, 2020 were \$216,519.

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 \$500,000 per claim. Claims exceeding \$500,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$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, 2020, no liability has been recorded in the County's financial statements. As of June 30, 2020, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Upon withdrawal, a formula set forth in the Pool's intergovernmental contract with its members is applied to determine the amount (if any) to be refunded to the withdrawing member.

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$1,000,000 and \$250,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(10) Voluntary Termination Benefit Program

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

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

All program benefits are financed on a pay-as-you-go basis by the County. The County accounts for retiree activity in the Fiduciary, Other Employee Benefit Trust Fund. Amounts due for the program have been included in and reported as compensated absences on the government-wide financial statements. The liability for expected future health insurance benefits under this program at June 30, 2020 is \$1,167,812.

For the year ended June 30, 2020, ten employees participated and received benefits totaling \$60,588 under the program. The County contributed \$69,947 to the fund for retirees under the program.

(11) Lessor Operating Leases

The County leases two parcels of land, a piece of farm ground and a pasture. The minimum future rentals on these operating leases as of June 30, 2020 is \$37,988 due during the year ended June 30, 2021.

(12) Tax Abatements

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

Tax Abatements of Other Entities

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

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2020 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Baxter	Urban renewal and economic development projects	\$ 11,473
City of Colfax	Urban renewal and economic development projects	471
City of Kellogg	Urban renewal and economic development projects	226
City of Newton	Urban renewal and economic development projects	3,061
City of Sully	Urban renewal and economic development projects	18,460

(13) Loans Receivable

During the year ended June 30, 2017, the County entered into a 28E agreement with the City of Sully to pave a County highway within Sully City limits. The County will assess the City for all costs to be reimbursed to the County's Secondary Road Fund. The City is required to reimburse the County's Secondary Road Fund for the City's share of costs over a period of ten years, with equal payments of \$25,500, and the final installment payment of \$23,588. As of June 30, 2020, \$76,500 has been received and the outstanding loan receivable is \$176,588.

(14) Jasper County Financial Information Included in the Central Iowa Community Services Mental Health Region

The Central Iowa Community Services (CICS) Mental Health Region, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa, includes the following member counties: Boone County, Franklin County, Greene County, Hamilton County, Hardin County, Jasper County, Madison County, Marshall County, Poweshiek County, Story County and Warren County. The financial activity of Jasper County's Special Revenue, Mental Health Fund is included in the CICS Mental Health Region for the year ended June 30, 2020, as follows:

Revenues:		
Property and other county tax		\$ 769,327
Intergovernmental:		
State tax credits	\$ 56,521	
Other	661	57,182
Total revenues		<u>826,509</u>
Expenditures:		
Services to persons with:		
Mental illness		63,617
General administration:		
Direct administration	164,322	
Distribution to regional fiscal agent	1,099,835	1,264,157
Total expenditures		<u>1,327,774</u>
Excess of expenditures over revenues		(501,265)
Fund balance beginning of year		<u>633,163</u>
Fund balance end of year		<u>\$ 131,898</u>

(15) Prospective Accounting Change

Governmental Accounting Standards Board has issued Statement No. 84, Fiduciary Activities. This statement will be implemented for the fiscal year ending June 30, 2021. The revised requirements of this statement will enhance the consistency and comparability of fiduciary activity reporting by state and local governments by establishing specific criteria for identifying fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities.

(16) COVID-19

In March 2020, the COVID-19 outbreak was declared a global pandemic. The disruption to businesses across a range of industries in the United States continues to evolve. The full impact to local, regional and national economies, including that of Jasper County, remains uncertain.

To date, the outbreak has not created a material disruption to the operations of Jasper County. However, the extent of the financial impact of COVID-19 will depend on future developments, including the spread of the virus, duration and timing of the economic recovery. Due to these uncertainties, management cannot reasonably estimate the potential impact to Jasper County.

(17) Subsequent Event

In May 2021, the County issued \$3,320,000 in general obligation notes, Series 2021 to provide funds to pay costs of the general county purpose project of public buildings, including the site or grounds of, and the erection, equipment, remodeling, or reconstruction of, and additions or extensions to the County Administration Building. The bonds are payable from the continuing annual levy of taxes against all taxable property of the County.

Required Supplementary Information

Jasper County

Budgetary Comparison Schedule of
Receipts, Disbursements and Changes in Balances –
Budget and Actual (Cash Basis) – All Governmental Funds

Required Supplementary Information

Year ended June 30, 2020

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	\$ 17,727,684	-	17,727,684
Interest and penalty on property tax	35,895	-	35,895
Intergovernmental	8,819,816	-	8,819,816
Licenses and permits	252,527	-	252,527
Charges for service	1,208,147	-	1,208,147
Use of money and property	334,634	-	334,634
Miscellaneous	1,202,238	-	1,202,238
Total receipts	29,580,941	-	29,580,941
Disbursements:			
Public safety and legal services	7,086,925	-	7,086,925
Physical health and social services	1,928,931	-	1,928,931
Mental health	1,326,143	-	1,326,143
County environment and education	1,628,017	-	1,628,017
Roads and transportation	8,324,215	-	8,324,215
Governmental services to residents	1,299,940	-	1,299,940
Administration	3,418,536	-	3,418,536
Non-program	201,930	-	201,930
Debt service	1,390,213	-	1,390,213
Capital projects	1,670,793	-	1,670,793
Total disbursements	28,275,643	-	28,275,643
Excess (deficiency) of receipts over (under) disbursements	1,305,298	-	1,305,298
Other financing sources, net	-	-	-
Change in balances	1,305,298	-	1,305,298
Balance beginning of year	14,594,975	57,884	14,537,091
Balance end of year	\$ 15,900,273	57,884	15,842,389

See accompanying independent auditor's report.

<u>Budgeted Amounts</u>		Final to
<u>Original</u>	<u>Final</u>	<u>Net</u>
		<u>Variance</u>
17,440,062	18,090,062	(362,378)
40,000	40,000	(4,105)
9,118,743	10,418,484	(1,598,668)
133,350	193,870	58,657
1,030,547	1,263,648	(55,501)
232,177	230,677	103,957
515,331	746,402	455,836
<u>28,510,210</u>	<u>30,983,143</u>	<u>(1,402,202)</u>
7,657,809	8,199,476	1,112,551
2,335,908	2,269,558	340,627
930,425	1,452,625	126,482
1,685,079	1,895,089	267,072
9,298,250	9,518,250	1,194,035
1,522,101	1,554,929	254,989
3,788,655	3,885,180	466,644
145,030	218,357	16,427
1,390,213	1,390,213	-
<u>3,930,000</u>	<u>2,431,158</u>	<u>760,365</u>
<u>32,683,470</u>	<u>32,814,835</u>	<u>4,539,192</u>
(4,173,260)	(1,831,692)	3,136,990
<u>10,000</u>	<u>10,000</u>	<u>(10,000)</u>
(4,163,260)	(1,821,692)	3,126,990
<u>14,670,496</u>	<u>14,670,496</u>	<u>(133,405)</u>
<u>10,507,236</u>	<u>12,848,804</u>	<u>2,993,585</u>

Jasper County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2020

	<u>Governmental Funds</u>		
	<u>Cash</u>	<u>Accrual</u>	<u>Modified</u>
	<u>Basis</u>	<u>Adjustments</u>	<u>Accrual</u>
			<u>Basis</u>
Revenues	\$ 29,580,941	502,922	30,083,863
Expenditures	<u>28,275,643</u>	<u>85,165</u>	<u>28,360,808</u>
Net	1,305,298	417,757	1,723,055
Other financing sources	-	429,512	429,512
Beginning fund balances, as restated	<u>14,594,975</u>	<u>283,237</u>	<u>14,878,212</u>
Ending fund balances	<u>\$ 15,900,273</u>	<u>1,130,506</u>	<u>17,030,779</u>

See accompanying independent auditor's report.

Jasper County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2020

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

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except blended component units and Fiduciary 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, the Capital Projects Fund and the Permanent Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$131,365. The budget amendments are reflected in the final budgeted amounts.

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

During the year ended June 30, 2020, disbursements exceeded the amount budgeted in the non-program function prior to the second amendment. In addition, one department had disbursements prior to the approval of appropriations by department and disbursements in certain departments exceeded the amounts appropriated prior to budget amendments.

Jasper County

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

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

Required Supplementary Information

	2020	2019	2018	2017
County's proportion of the net pension liability	0.097319%	0.100727%	0.106372%	0.109621%
County's proportionate share of the net pension liability	\$ 5,635	6,374	7,086	6,899
County's covered payroll	\$ 10,038	9,849	9,582	9,494
County's proportionate share of the net pension liability as a percentage of its covered payroll	56.14%	64.72%	73.95%	72.67%
IPERS' net position as a percentage of the total pension liability	85.45%	83.62%	82.21%	81.82%

* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

See accompanying independent auditor's report.

2016	2015
0.100784%	0.096791%
4,979	3,839
8,840	8,482
56.32%	45.26%
85.19%	87.61%

Jasper County

Schedule of County Contributions

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

Required Supplementary Information

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Statutorily required contribution	\$ 966	958	894	873
Contributions in relation to the statutorily required contribution	<u>(966)</u>	<u>(958)</u>	<u>(894)</u>	<u>(873)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 10,170	10,038	9,849	9,582
Contributions as a percentage of covered payroll	9.50%	9.54%	9.08%	9.11%

See accompanying independent auditor's report.

2016	2015	2014	2013	2012	2011
868	810	776	732	685	597
(868)	(810)	(776)	(732)	(685)	(597)
-	-	-	-	-	-
9,494	8,840	8,482	8,172	8,104	7,997
9.14%	9.16%	9.15%	8.96%	8.45%	7.47%

Jasper County

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2020

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

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

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% 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 (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

Jasper County

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

For the Last Three Years
Required Supplementary Information

	2020	2019	2018
Service cost	\$ 51,073	45,926	44,420
Interest cost	22,500	21,823	22,483
Difference between expected and actual experiences	212,157	19,701	(70,058)
Changes in assumptions	35,093	14,046	(33,314)
Benefit payments	(30,438)	(28,522)	(29,854)
Net change in total OPEB liability	290,385	72,974	(66,323)
Total OPEB liability beginning of year	605,053	532,079	598,402
Total OPEB liability end of year	\$ 895,438	605,053	532,079
Covered-employee payroll	\$ 9,397,773	10,129,122	9,204,083
Total OPEB liability as a percentage of covered-employee payroll	9.5%	6.0%	5.8%

See accompanying independent auditor's report.

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

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Year ended June 30, 2020	2.66%
Year ended June 30, 2019	3.51%
Year ended June 30, 2018	3.87%
Year ended June 30, 2017	3.58%

Jasper County

Supplementary Information

Jasper County
 Combining Balance Sheet
 Nonmajor Governmental Funds

June 30, 2020

	County Recorder's Records Management	Resource Enhancement and Protection	Special Local Option Sales and Services Tax
Assets			
Cash and pooled investments	\$ 48,289	270,549	1,564,875
Receivables:			
Delinquent property tax	-	-	-
Succeeding year tax increment financing	-	-	-
Due from other governments	-	-	122,502
Total assets	\$ 48,289	270,549	1,687,377
Deferred Inflows of Resources and Fund Balances			
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year tax increment financing	\$ -	-	-
Other	-	-	-
Total deferred inflows of resources	-	-	-
Fund balances:			
Nonspendable - Permanent Fund	-	-	-
Restricted for:			
Local option sales and services tax purposes	-	-	1,687,377
Debt service	-	-	-
Other purposes	48,289	270,549	-
	48,289	270,549	1,687,377
Total deferred inflows of resources and fund balances	\$ 48,289	270,549	1,687,377

See accompanying independent auditor's report.

Revenue				
Drainage Districts	Tax Increment Financing	Other	Permanent Loskot Trust	Total
57,884	636,763	189,234	16,041	2,783,635
-	2,551	-	-	2,551
-	544,000	-	-	544,000
-	-	-	-	122,502
57,884	1,183,314	189,234	16,041	3,452,688
-	544,000	-	-	544,000
-	2,551	-	-	2,551
-	546,551	-	-	546,551
-	-	-	12,000	12,000
-	-	-	-	1,687,377
-	636,763	-	-	636,763
57,884	-	189,234	4,041	569,997
57,884	636,763	189,234	16,041	2,906,137
57,884	1,183,314	189,234	16,041	3,452,688

Jasper County

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

Year ended June 30, 2020

	Special		
	County Recorder's Records Management	Resource Enhancement and Protection	Local Option Sales and Services Tax
Revenues:			
Tax increment financing	\$ -	-	-
Local option sales and services tax	-	-	1,574,586
Intergovernmental	-	16,301	-
Charges for service	6,843	-	-
Use of money and property	443	2,681	-
Miscellaneous	-	-	-
Total revenues	<u>7,286</u>	<u>18,982</u>	<u>1,574,586</u>
Expenditures:			
Operating:			
Public safety and legal services	-	-	-
Administration	-	-	-
Capital projects	-	10,776	-
Total expenditures	<u>-</u>	<u>10,776</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	7,286	8,206	1,574,586
Other financing uses:			
Transfers out	-	-	(1,446,604)
Change in fund balances	7,286	8,206	127,982
Fund balances beginning of year	<u>41,003</u>	<u>262,343</u>	<u>1,559,395</u>
Fund balances end of year	<u>\$ 48,289</u>	<u>270,549</u>	<u>1,687,377</u>

See accompanying independent auditor's report.

Revenue				
Drainage Districts	Tax Increment Financing	Other	Permanent Loskot Trust	Total
-	543,318	-	-	543,318
-	-	-	-	1,574,586
-	11,066	-	-	27,367
-	-	-	-	6,843
-	4,809	279	-	8,212
-	-	22,234	-	22,234
-	559,193	22,513	-	2,182,560
-	-	4,961	-	4,961
-	-	21,121	-	21,121
-	-	-	-	10,776
-	-	26,082	-	36,858
-	559,193	(3,569)	-	2,145,702
-	(551,409)	-	-	(1,998,013)
-	7,784	(3,569)	-	147,689
57,884	628,979	192,803	16,041	2,758,448
57,884	636,763	189,234	16,041	2,906,137

Jasper County
 Combining Schedule of Fiduciary Assets and Liabilities
 Agency Funds

June 30, 2020

	County Offices	Agricultural Extension Education	County Assessor	Schools	Community Colleges
Assets					
Cash and pooled investments:					
County Treasurer	\$ -	1,271	562,591	116,191	4,900
Other County officials	58,285	-	-	-	-
Receivables:					
Property tax:					
Delinquent	-	2,982	6,752	270,993	11,423
Succeeding year	-	298,000	522,000	26,866,000	1,223,000
Accounts	-	-	-	-	-
Special assessments	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total assets	\$ 58,285	302,253	1,091,343	27,253,184	1,239,323
Liabilities					
Liabilities:					
Accounts payable	\$ -	-	164	-	-
Salaries and benefits payable	-	-	8,354	-	-
Due to other governments	41,161	302,253	1,035,475	27,253,184	1,239,323
Trusts payable	17,124	-	-	-	-
Compensated absences	-	-	47,350	-	-
Total liabilities	\$ 58,285	302,253	1,091,343	27,253,184	1,239,323

See accompanying independent auditor's report.

Corporations	Townships	City Special Assessments	Auto License and Use Tax	Other	Total
85,637	892	-	1,267,248	899,344	2,938,074
-	-	-	-	-	58,285
171,314	3,771	-	-	38,537	505,772
10,799,000	553,000	-	-	2,901,000	43,162,000
-	-	-	-	80,212	80,212
-	-	149,084	-	-	149,084
-	-	-	-	67,025	67,025
11,055,951	557,663	149,084	1,267,248	3,986,118	46,960,452
-	-	-	-	4,603	4,767
-	-	-	-	4,766	13,120
11,055,951	557,663	149,084	1,267,248	3,813,962	46,715,304
-	-	-	-	120,483	137,607
-	-	-	-	42,304	89,654
11,055,951	557,663	149,084	1,267,248	3,986,118	46,960,452

Jasper County

Combining Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds

Year ended June 30, 2020

	County Offices	Agricultural Extension Education	County Assessor	Schools	Community Colleges
Assets and Liabilities					
Balances beginning of year	\$ 48,808	273,780	995,484	24,704,062	1,060,750
Additions:					
Property and other county tax	-	298,376	523,796	26,913,455	1,223,705
911 surcharge	-	-	-	-	-
State tax credits	-	19,998	45,291	1,807,698	76,494
Driver's license fees	-	-	-	-	-
Office fees and collections	1,563,023	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-	-
Assessments	-	-	-	-	-
Trusts	1,598,521	-	-	-	-
Miscellaneous	-	-	-	-	-
Total additions	3,161,544	318,374	569,087	28,721,153	1,300,199
Deductions:					
Agency remittances:					
To other funds	1,199,446	-	-	-	-
To other governments	766,437	289,901	473,228	26,172,031	1,121,626
Trusts paid out	1,186,184	-	-	-	-
Total deductions	3,152,067	289,901	473,228	26,172,031	1,121,626
Balances end of year	\$ 58,285	302,253	1,091,343	27,253,184	1,239,323

See accompanying independent auditor's report.

Corporations	Townships	City Special Assessments	Auto License and Use Tax	Other	Total
10,126,026	492,088	158,595	972,970	3,540,254	42,372,817
10,757,450	554,756	-	-	3,231,849	43,503,387
-	-	-	-	394,025	394,025
1,063,476	23,114	-	-	268,064	3,304,135
-	-	-	241,130	-	241,130
-	-	-	-	6,845	1,569,868
-	-	-	12,325,523	-	12,325,523
-	-	46,602	-	-	46,602
-	-	-	-	469,041	2,067,562
-	-	-	-	229,952	229,952
11,820,926	577,870	46,602	12,566,653	4,599,776	63,682,184
-	-	-	435,611	-	1,635,057
10,891,001	512,295	56,113	11,836,764	4,153,912	56,273,308
-	-	-	-	-	1,186,184
10,891,001	512,295	56,113	12,272,375	4,153,912	59,094,549
11,055,951	557,663	149,084	1,267,248	3,986,118	46,960,452

Jasper County

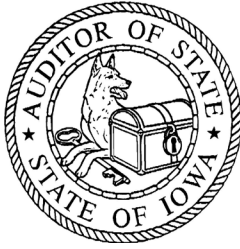
Schedule of Revenues By Source and Expenditures By Function –
All Governmental Funds

For the Last Ten Years

	2020	2019	2018	2017
Revenues:				
Property and other county tax	\$ 15,619,491	14,485,365	14,050,570	13,658,014
Tax increment financing	543,318	606,351	627,502	690,166
Local option sales and services tax	1,574,586	1,444,268	1,385,206	1,504,695
Interest and penalty on property tax	35,895	103,409	88,742	87,524
Intergovernmental	9,226,423	8,695,232	8,132,345	8,820,774
Licenses and permits	255,736	190,560	174,854	197,905
Charges for service	1,260,023	1,322,241	1,324,020	1,181,791
Use of money and property	340,293	336,780	221,493	170,671
Miscellaneous	1,228,098	736,963	816,624	1,173,665
Total	\$ 30,083,863	27,921,169	26,821,356	27,485,205
Expenditures:				
Operating:				
Public safety and legal services	\$ 7,604,428	6,963,237	7,001,242	5,984,572
Physical health and social services	1,932,536	1,920,389	1,933,523	1,793,766
Mental health	1,327,774	657,061	756,136	931,970
County environment and education	1,623,357	1,555,204	1,451,139	1,454,334
Roads and transportation	7,879,945	10,780,033	10,779,984	7,274,732
Governmental services to residents	1,313,016	1,268,255	1,212,296	1,399,588
Administration	3,332,667	3,131,813	3,314,486	2,697,668
Non-program	270,516	129,698	203,000	720,572
Debt service	1,390,213	1,591,593	1,854,229	1,714,585
Capital projects	1,686,356	1,160,242	799,873	1,540,723
Total	\$ 28,360,808	29,157,525	29,305,908	25,512,510

See accompanying independent auditor's report.

2016	2015	2014	2013	2012	2011
13,027,674	12,725,632	12,476,599	12,562,086	13,150,092	12,361,664
926,595	1,023,421	1,046,732	1,045,731	656,972	676,989
1,381,665	1,323,595	1,291,837	1,257,023	1,258,294	1,322,175
96,676	91,437	103,701	118,511	112,902	126,863
8,637,330	7,255,314	6,273,322	6,756,315	7,194,041	7,237,209
122,709	102,606	115,039	96,379	87,118	66,667
1,088,179	959,536	978,744	1,028,561	926,143	981,953
139,867	227,081	226,008	181,483	211,185	278,877
624,019	618,609	521,057	644,364	549,034	492,838
26,044,714	24,327,231	23,033,039	23,690,453	24,145,781	23,545,235
5,878,181	5,678,863	5,223,925	4,898,752	4,807,315	4,720,013
1,679,516	1,828,490	1,817,665	1,871,986	1,656,699	1,763,627
1,025,846	3,278,357	1,040,216	941,390	4,345,312	3,626,922
1,410,311	1,369,270	1,375,502	1,830,482	1,325,737	1,326,599
7,442,248	6,412,667	5,713,570	6,602,333	6,544,659	5,994,849
1,487,312	1,074,056	962,079	915,088	925,388	855,852
2,668,452	2,870,280	2,927,232	2,950,132	2,805,074	2,770,982
85,392	6,564	42,394	9,346	15,829	8,156
1,643,933	1,959,181	3,772,649	1,915,330	3,960,276	1,828,698
670,308	1,615,469	1,202,624	1,015,233	2,217,792	419,411
23,991,499	26,093,197	24,077,856	22,950,072	28,604,081	23,315,109



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 281-6518

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

To the Officials of Jasper County:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Jasper County, Iowa, as of and for the year ended June 30, 2020, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 19, 2021.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2020 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

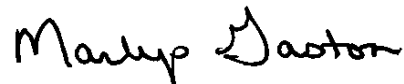
Jasper County's Responses to the Findings

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

Purpose of this Report

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

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



Marlys K. Gaston, CPA
Deputy Auditor of State

May 19, 2021

Jasper County

Schedule of Findings

Year ended June 30, 2020

INTERNAL CONTROL DEFICIENCIES:

(A) Segregation of Duties

Criteria – Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the County’s financial statements.

Condition – Generally, one or two individuals in the offices identified may have control over the following areas for which no compensating controls exist:

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

Jasper County

Schedule of Findings

Year ended June 30, 2020

- (6) All individuals in tax, motor vehicle and driver's license have the ability to void receipts in Eden/Arts (DOT system), including individuals who perform daily balancing. Treasurer
- All individuals in the County Recorder's and County Sheriff's Offices have the ability to void receipts, including individuals who perform daily balancing. For the Sheriff, a report is not maintained, or review performed over voided receipts. The Recorder's Office does maintain a voided receipts report, but it is not reviewed by an independent person. Recorder and Sheriff

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

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

Recommendation – Each official should review the control activities of their office to obtain the maximum internal control possible under the circumstances. The official should utilize current personnel, including elected officials and personnel from other County offices, to provide additional control through review of financial transactions, reconciliations and reports. Such reviews should be performed by independent persons and should be documented by the signature or initials of the reviewer and the date of the review.

Responses

Treasurer – We will continue to segregate duties to the best of our ability with the limited staff available.

Sheriff – We have made changes when possible in order to segregate duties and reviewed our operating procedures. We will continue to evaluate and adjust segregation of duties recommendations when possible, however, we have limited staff with which to do so. Bank reconciliations will be reviewed by a supervisor as the independent person who does not have access to the mail or accounts.

Recorder – Due to the size of the office, it is really difficult to segregate duties. We will work on making recommended changes where possible.

Engineer – One person opens and logs incoming receipts, another person processes them for delivery to the Treasurer, a third reviews delivered receipts. Further segregation is limited by available staff.

Community Services – I will continue to review policies and attempt to segregate duties to the extent possible with limited personnel.

Jasper County

Schedule of Findings

Year ended June 30, 2020

Environmental Health and Home Care Aides – We plan to implement a mail log for payments and compare the deposit and Quickbooks. We are a small office with limited staff for segregation of duties.

Conservation – Small staff does not allow for complete segregation of duties though we try our best and understand the importance of this process.

Elderly Nutrition – Due to staff limitations it's difficult to segregate duties. We will make the best effort possible to segregate the duties to the best of our abilities and explore ways to improve.

Emergency Management – The situation remains as in previous years. With only two people, meeting the segregation of duties requirement is difficult to meet.

911 – With the limited staff size of one employee, continuous efforts will be made to look for ways to better segregate duties.

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

(B) Financial Reporting

Criteria – A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the County's financial statements.

Condition – Material amounts of revenues, accounts receivables, accounts payables, prepaid expenses and capital asset additions were not properly recorded in the County's financial statements. Adjustments were subsequently made by the County to properly record these amounts in the financial statements.

Cause – County policies do not require, and procedures have not been established to require independent review of year-end cut-off and other transactions to ensure the County's financial statements are accurate and reliable.

Effect – Lack of policies and procedures resulted in County employees not detecting the errors in the normal course of performing their assigned functions. As a result, material adjustments to the County's financial statements were necessary.

Recommendation – The County should establish procedures to ensure all revenues, accounts receivable, accounts payable, prepaid expenses and capital asset additions are properly identified and reported in the County's financial statements.

Jasper County

Schedule of Findings

Year ended June 30, 2020

Responses –

Auditor – The County will ensure all revenues, receivables, payables, prepaid expenses and capital asset additions are properly identified on the County's financial statements.

Treasurer – We will continue to remind departments all receipts should show proper accrual dates before being send to our office.

Conclusion – Responses accepted.

(C) Scrap Metal Sales

Criteria – An effective internal control system provides for internal controls related to ensuring proper accounting for all scrap metal sales and for periodic review of those records by someone independent of other duties related to the scrap metal.

Condition – There was no evidence of independent review of scrap metal sales.

Cause – Procedures have not been designed and implemented to ensure the records maintained to properly account for scrap metal sales are reviewed by an independent person.

Effect – When records for scrap metal sales are not reviewed and adequate segregation of duties does not exist, the opportunity for misappropriation and undetected errors can result.

Recommendation – The County Engineer should establish procedures to ensure scrap metal sales are reviewed by an independent person.

Response – Jasper County will send two employees when taking scrap metal in for disposal. We only accept a check as payment which is returned to the Engineer's Office. It is then forwarded to the Jasper County Treasurer's office for deposit.

Conclusion – Response acknowledged. The County Engineer should establish procedures to ensure scrap metal sales are reviewed by an independent person.

(D) Sheriff Change Fund

Criteria – An effective internal control system provides for internal controls related to maintaining an approved separate change fund. Receipts should be deposited intact and timely rather than used to make change.

Condition – The Sheriff does not maintain a change fund. Change, when needed for cash payments, is made from daily receipts.

Cause – County policies do not require the use of an approved change fund and does not require receipts be deposited intact and timely.

Effect – When daily receipts can be used to make change, deposits are not made intact and the opportunity for misappropriation and undetected errors can result.

Jasper County

Schedule of Findings

Year ended June 30, 2020

Recommendation – The Sheriff should establish policies for a change fund and this change fund should be approved by the Board of Supervisors. Policies should also state change should be made from the change fund and all receipts should be deposited intact.

Response – We attempt to request exact amounts whenever possible that would reduce our need to make change. On average, about 75% of our receipts are credit card or checks. A lot of our cash comes from the Jail bonds with paperwork. We cannot zero balance on a daily basis, our computer system will not allow us to, but we do zero balance to the penny every month.

Conclusion – Response acknowledged. A change fund should be established to make change, as needed.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Jasper County

Schedule of Findings

Year ended June 30, 2020

Other Findings Related to Required Statutory Reporting:

- (1) Certified Budget – Disbursements during the year ended June 30, 2020 exceeded the amount budgeted in the non-program function prior to the June 16, 2020 budget amendment. The Board of Supervisors, by resolution, did not approve appropriations for each of the different County offices and departments until July 2, 2019. As a result, disbursements exceeded the amounts appropriated for one department prior to approval. In addition, disbursements in certain departments exceeded the amounts appropriated prior to the budget amendments.

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

Chapter 331.434(6) of the Code of Iowa states “The board shall appropriate, by resolution, the amounts deemed necessary for each of the different county officers and departments during the ensuing fiscal year.” Such appropriations should be made prior to the start of the fiscal year and before disbursements exceed the appropriations.

Response – The County will make sure a budget amendment is done before disbursements exceed budgeted amounts. In addition, the County appropriation resolution will be done on or before July 1st each year to ensure the County does not exceed the budgeted amount at the start of the fiscal year.

Conclusion – Response accepted.

- (2) Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- (3) Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- (4) Business Transactions – Business transactions between the County and County officials or employees are detailed as follows:

<u>Name, Title and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Doug Cupples, Board of Supervisors, Owner of DC Sports, Inc	Maintenance apparel/ printing on uniforms	\$ 2,192

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

- (5) Restricted Donor Activity – No transactions were noted between the County, County officials or County employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- (6) Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

Jasper County

Schedule of Findings

Year ended June 30, 2020

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

The Board went into closed session on July 16, 2019 and November 5, 2019 to discuss matters relating to the County. However, the minutes record did not document the reason for holding the closed session by reference to a specific exemption under Chapter 21.5 of the Code of Iowa, as required by Chapter 21.5(2) of the Code of Iowa, commonly known as the open-meetings law.

Recommendation – The County should ensure when going into closed session, the minutes document the specific exemption under Chapter 21.5 of the Code of Iowa and final action is taken in open session.

Response – The County will ensure the minutes reflect going into and out of closed session correctly.

Conclusion – Response accepted.

- (8) Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.
- (9) 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).
- (10) Annual Urban Renewal Report (AURR) – The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1. However, the Levy Authority Summary included revenues, expenditures and ending cash balances which did not reconcile to the County's Special Revenue, Tax Increment Financing Fund.

Recommendation – The County should ensure the amounts reported on the Levy Authority Summary agree with the County's records.

Response – The Levy Authority Summary on the Annual Urban Renewal report will correctly agree with the County's records.

Conclusion – Response accepted.

- (11) Taxable Fringe Benefits – Certain County expenditures for clothing considered adaptable to general usage as ordinary clothing were not included in wages of employees in accordance with Internal Revenue Service (IRS) Guidelines.

Recommendation – The County should properly include taxable fringe benefits in reported employee wages in accordance with IRS guidelines.

Response – The employees fringe benefits will be correctly reported in accordance with the IRS guidelines.

Conclusion – Response accepted.

Jasper County

Staff

This audit was performed by:

Marlys K. Gaston, CPA, Deputy
Pamela J. Bormann, CPA, Manager
Anthony M. Heibult, Senior Auditor II
April R. Davenport, Staff Auditor
Jon G. Hanson, Staff Auditor
Corey D. Hauptmann, Staff Auditor
Kathryn A. Blumer, Assistant Auditor
Allison L. Carlon, Assistant Auditor
Ashley A. Kraber, Assistant Auditor
Tristan J. Swiggum, Assistant Auditor
Thomas G. Engquist, Audit Intern