



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0004
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Rob Sand
Auditor of State

NEWS RELEASE

FOR RELEASE

June 16, 2023

Contact: Ernest Ruben
515/281-5834

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

FINANCIAL HIGHLIGHTS:

The County's revenues totaled \$35,318,543 for the year ended June 30, 2022, a 5.2% increase over the prior year. Expenses for County operations for the year ended June 30, 2022 totaled \$26,598,147 a decrease of 4.0% from the prior year.

AUDIT FINDINGS:

Sand reported eleven findings related to the receipt and expenditure of taxpayer funds. They are found on pages 90 through 101 of this report. The findings address issues such as lack of segregation of duties, material amounts of accounts receivables and accounts payable 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.

Eight 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 website at [Audit Reports – Auditor of State](#).

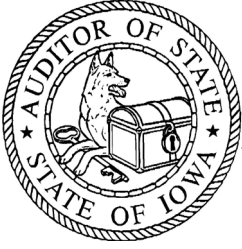
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JASPER COUNTY

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

JUNE 30, 2022

Jasper County



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Rob Sand
Auditor of State

June 2, 2023

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, 2022. 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 that reads "Rob Sand". The signature is stylized and cursive.

Rob Sand
Auditor of State

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Jasper County

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Dennis Carpenter	Board of Supervisors	Jan 2023
Brandon Talsma	Board of Supervisors	Jan 2023
Doug Cupples	Board of Supervisors	Jan 2025
Dennis Parrott	County Auditor	Jan 2025
Doug Bishop	County Treasurer	Jan 2023
Denise Allan	County Recorder	Jan 2023
John Halferty	County Sheriff	Jan 2025
Scott Nicholson	County Attorney	Jan 2023
Tracey DeJong	County Assessor	(Resigned Jul 2021)
John Deegan (Appointed Aug 2021)	County Assessor	(Resigned Sep 2021)
Stacey Von Dielingen (Appointed Sep 2021)	County Assessor	Jan 2028



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Independent Auditor's Report

To the Officials of Jasper County:

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2022 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Jasper County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 19 to the financial statements, Jasper County adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Jasper County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Jasper County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Jasper County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 8 through 15 and 60 through 69 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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, 2021 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 6 including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information in Schedules 1 through 6 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 June 2, 2023 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.



Ernest H. Ruben, Jr., CPA
Deputy Auditor of State

June 2, 2023

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, 2022. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2022 FINANCIAL HIGHLIGHTS

- The County implemented Governmental Accounting Standards Board Statement (GASBS) No. 87, Leases, during fiscal year 2022. The implementation of this standard revised certain asset and liability accounts related to leases, however had no effect on the beginning net position for governmental activities.
- Revenues of the County's governmental activities increased 5.2%, or approximately \$1,745,000, from fiscal year 2021 to fiscal year 2022. Capital grants, contributions and restricted interest increased approximately \$1,343,000, operating grants, contributions and restricted interest increased approximately \$488,000 and charges for services increased approximately \$171,000. Tax increment financing receipts decreased approximately \$88,000.
- Program expenses of the County's governmental activities decreased 4.0%, or approximately \$1,095,000, from fiscal year 2021 to fiscal year 2022. Expenses increased approximately \$748,000 in the administration function. Expenses decreased approximately \$1,168,000 in the roads and transportation function, approximately \$407,000 in the public safety and legal services function and approximately \$349,000 in the county environment and education function.
- The County's net position increased 12.7%, or approximately \$8,720,000, over June 30, 2021.

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 (Custodial Funds).

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

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

Supplementary Information provides detailed information about the nonmajor governmental and the individual Custodial Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the County.

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 three 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) A proprietary fund accounts for the County’s Internal Service, Employee Group Health Fund. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County’s various functions.

The required financial statements for proprietary fund include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.

- 3) Fiduciary funds are used to report assets held in a trust or custodial capacity for others which cannot be used to support the County’s own programs. These fiduciary funds include Custodial Funds 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 Net Position and a Statement of Changes in Fiduciary Net Position.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

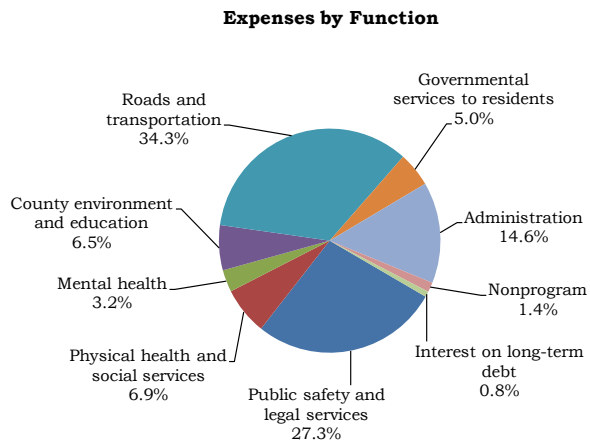
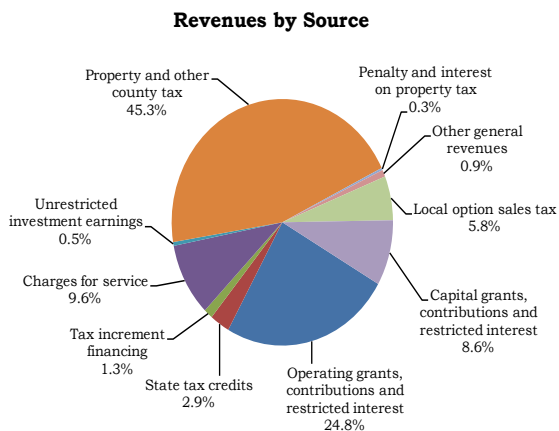
Net Position of Governmental Activities (Expressed in Thousands)		
	June 30,	
	2022	2021
Current and other assets	\$ 51,363	44,725
Capital assets	65,043	58,964
Total assets	116,406	103,689
Deferred outflows of resources	1,554	2,269
Long-term liabilities	9,250	17,869
Other liabilities	7,149	2,680
Total liabilities	16,399	20,549
Deferred inflows of resources	24,391	16,959
Net position:		
Net investment in capital assets	60,855	56,939
Restricted	18,627	16,539
Unrestricted	(2,312)	(5,028)
Total net position	\$ 77,170	68,450

Net position of Jasper County’s governmental activities increased 12.7% (approximately \$77.2 million compared to approximately \$68.5 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 \$3,916,000, or 6.9%, 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 \$2,088,000, or 12.6%, over the prior year’s balance. The increase is primarily due to an increase in the amounts held at year end in the Special Revenue, Secondary Roads Fund.

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 – decreased from a deficit of approximately (\$5,028,000) at June 30, 2021 to a deficit of approximately (\$2,312,000) at the end of this year, an increase of 54.0% primarily due to unused bond proceeds from the prior year being used in the current year for construction in progress.

Changes in Net Position of Governmental Activities		
(Expressed in Thousands)		
	Year ended June 30,	
	2022	2021
Revenues:		
Program revenues:		
Charges for service	\$ 3,399	3,228
Operating grants, contributions and restricted interest	8,755	8,267
Capital grants, contributions and restricted interest	3,053	1,710
General revenues:		
Property and other county tax	16,011	16,014
Tax increment financing	443	531
Penalty and interest on property tax	90	121
State tax credits	1,013	1,010
Local option sales tax	2,057	1,988
Unrestricted investment earnings	191	189
Other general revenues	306	515
Total revenues	35,318	33,573
Program expenses:		
Public safety and legal services	7,253	7,660
Physical health and social services	1,840	1,629
Mental health	849	906
County environment and education	1,729	2,078
Roads and transportation	9,120	10,288
Governmental services to residents	1,340	1,331
Administration	3,878	3,130
Nonprogram	383	408
Interest on long-term debt	206	263
Total expenses	26,598	27,693
Change in net position	8,720	5,880
Net position beginning of year	68,450	62,570
Net position end of year	\$ 77,170	68,450



Jasper County’s governmental activities net position increased approximately \$8,720,000 during the year. Revenues for governmental activities increased approximately \$1,745,000 over the prior year. Capital grants, contributions and restricted interest increased approximately \$1,343,000, or 78.5%, primarily due to an increase in grant revenues related to the Red Rock Prairie Trail project. Operating grants, contributions and restricted interest increased approximately \$488,000, or 5.9%, primarily due to an increase in Public Health Emergency Preparedness Grant revenues and the recording of the opioid settlement revenue netted with a decrease of road use tax funds and FEMA revenue for the Special Revenue, Secondary Roads Fund.

For fiscal year 2022, taxable property valuation increased to approximately \$1,816,052,917 while the tax levy rate decreased from \$10.44530 to \$10.10905 per \$1,000 of taxable valuation. As a result, property and other county tax revenue remained consistent. Taxable valuation by levy, the actual levy rate per \$1,000 of taxable valuation and total dollars levied are as follows:

	Taxes Levied FY 2022	Taxes Levied FY 2021
Countywide taxable valuation	\$ 1,816,052,917	\$ 1,756,404,794
Countywide levy rate without debt service	7.09432	7.36474
Dollars levied without debt service	12,883,660	12,935,465
Debt service valuation	\$ 1,916,412,063	\$ 1,852,188,766
Debt service levy rate	0.46310	0.48056
Dollars levied debt service area only	887,490	890,088
Rural taxable valuation	\$ 1,069,547,861	\$ 1,028,728,938
Rural service levy rate	2.55163	2.60000
Dollars levied rural area only	2,729,090	2,674,695
Total dollars levied	16,500,240	16,500,248

The cost of all governmental activities this year was approximately \$26.6 million compared to approximately \$27.7 million last year. However, as shown in the Statement of Activities on page 19, the amount taxpayers ultimately financed for these activities was approximately \$11.4 million because some of the cost was paid by those directly benefited from the programs (approximately \$3,399,000) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately \$11,808,000). Overall, the County’s governmental program revenues, including intergovernmental aid and fees for service, increased in fiscal year 2022 from approximately \$13,205,000 to approximately \$15,207,000, primarily due increased federal grant revenues.

INDIVIDUAL MAJOR FUND ANALYSIS

As Jasper County completed the year, its governmental funds reported a combined fund balance of approximately \$22.6 million, a decrease of approximately \$2,166,000 from last year’s total of approximately \$24.8 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues decreased approximately \$201,000, or 1.2%. Expenditures increased approximately \$565,000, or 3.6%. The ending fund balance increased approximately \$741,000, or 7.5%, over the prior year balance to \$10,606,505.
- The Special Revenue, Mental Health Fund balance decreased approximately \$144,000 from the prior year end. For the year, expenditures totaled approximately \$859,000, a decrease of 11.4% from the prior year. The County was required by Senate File 619 to transfer the remaining fund balance to the Central Iowa Community Services Mental Health Region prior to June 30, 2022.

- Special Revenue, Rural Services Fund revenues increased approximately \$21,000, an increase of less than 1%. Expenditures decreased approximately \$228,000, or 21.8%. This decrease was due primarily to the County terminating the agreement with the City of Newton Sanitary Landfill to allow residents to take their trash to the landfill for free, with at least a minimum fee per load per person paid by the County during fiscal year 2022. The ending fund balance decreased approximately \$158,000 from the prior year to a deficit fund balance of \$76,671.
- Special Revenue, Secondary Roads Fund revenues decreased approximately \$701,000, or 9.7%, from the prior year, primarily due to decreased road use tax and FEMA revenues. During the year, expenditures decreased approximately \$560,000, or 6.3%. The fund balance at June 30, 2022 was \$8,424,264, an increase of \$1,438,631.
- Debt Service Fund revenues increased approximately \$14,000, or 1.5%. Expenditures decreased approximately \$57,000, or 3.7% from the prior year. At year end, the fund balance was \$654,393 compared to the prior year ending balance of \$673,511, a decrease of \$19,118.
- Capital Projects Fund revenues increased approximately \$1,430,000 over the prior year, primarily due to the grant revenue related to the Red Rock Prairie Trail project. Expenditures increased approximately \$6,094,000, primarily due to renovations at the new County Administration building and expenditures related to the Red Rock Prairie Trail project. The ending Capital Projects fund balance decreased approximately \$4,061,000 from the prior year to a deficit fund balance of \$401,878. The deficit fund balance was due to project costs incurred prior to the availability of grant funds.

BUDGETARY HIGHLIGHTS

Over the course of the year, Jasper County amended its budget two times. The first amendment was made in March 2022 and resulted in an increase in budgeted disbursements in public safety and legal services, physical health and social services, county environment and education, governmental services to residents, administration and debt service functions for various County projects. This amendment also decreased budgeted disbursements in mental health and capital projects functions primarily due to anticipated progress on the new County Administration building. In addition, this amendment increased budgeted property and other county taxes, intergovernmental, licenses and permits, charges for service, and miscellaneous receipts while decreasing use of money and property receipts. The final budget amendment was made in June 2022 and resulted in an increase in budgeted disbursements in public safety and legal services, mental health, county environment and education, administration and capital projects functions primarily due to the acquisition of new dispatch radio consoles, the elimination of the mental health fund and anticipated progress on the new County Administration building. This amendment decreased budgeted disbursements in the roads and transportation function in order to align the County's budget with budgets submitted to the Iowa Department of transportation.

The County's receipts were \$3,615,439 less than budgeted, a variance of 9.59%. The most significant variance resulted from budgeting to receive the entire \$7,222,750 of American Rescue Plan Act funding during fiscal year 2022, however only receiving \$3,611,375. The remaining funds were received during fiscal year 2023.

Total disbursements were \$2,757,330 less than the amended budget, a variance of 7.67%. Actual disbursements for the capital projects, administration and public safety and legal services functions were \$1,405,397, \$636,403 and \$424,430, respectively, less than budgeted. This was primarily due to costs being less than anticipated and projects being delayed until the next fiscal year.

Even with the budget amendments, the County exceeded the amounts budgeted in the debt service function prior to the second budget amendment and in the mental health, non-program and debt service functions for the year ended June 30, 2022. In addition, disbursements in certain departments exceeded amounts appropriated at year end and prior to the budget amendments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022, Jasper County had approximately \$65 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 \$6,067,000, or 10.3% over last year.

Capital Assets of Governmental Activities at Year End (Expressed in Thousands)		
	June 30,	
	2022	2021 (As Restated) *
Land	\$ 2,569	2,569
Construction in progress	10,515	8,511
Buildings and improvements	9,781	9,987
Equipment and vehicles	4,997	5,048
Right-to-use assets	5	12
Intangibles	80	87
Infrastructure	37,096	32,762
Total	\$ 65,043	58,976

* Beginning capital assets were restated to implement GASB Statement No. 87, Leases.

The County had depreciation/amortization expense of \$3,409,944 in fiscal year 2022 and total accumulated depreciation/amortization of \$52,945,936 at June 30, 2022. More detailed information about the County’s capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

At June 30, 2022, Jasper County had approximately \$6,442,000 of general obligation bonds and capital loan notes and other debt outstanding, compared to approximately \$7,831,000 at June 30, 2021, as shown below:

Outstanding Debt of Governmental Activities at Year-End (Expressed in Thousands)		
	June 30,	
	2022	2021 (As Restated)
General obligation bonds and capital loan notes	\$ 6,025	7,240
Lease agreements	5	12
Equipment replacement agreement	412	436
Installment purchase agreement	-	143
Total	\$ 6,442	7,831

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 \$150 million. Additional information about the County’s long-term debt is presented in Note 8 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 2023 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 2023 budget, all of the LOSST money estimated to be received in fiscal year 2023 (approximately \$900,000) was used to offset a property tax increase in fiscal year 2023.

Budgeted receipts in the operating budget are approximately \$31,603,000, a 16.2% decrease from the final fiscal year 2022 budget. Budgeted disbursements increased approximately \$5,040,000 over the final fiscal year 2022 budget, primarily in the administration function. The County has added no major new programs or initiatives to the fiscal year 2023 budget.

If these estimates are realized, the County's budgetary operating balance is expected to decrease 32.6% by the close of fiscal year 2023.

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, 2022

	Governmental Activities
Assets	
Cash and pooled investments	\$ 27,527,361
Receivables:	
Property tax:	
Delinquent	28,667
Succeeding year	15,991,000
Succeeding year tax increment financing	481,000
Interest and penalty on property tax	107,259
Accounts	173,947
Loans	156,388
Opioid settlement	1,293,435
Due from other governments	2,354,649
Lease receivable	365,828
Inventories	455,636
Prepaid expense	113,360
Capital assets, not being depreciated	13,084,660
Capital assets, net of accumulated depreciation/amortization	51,958,222
Net pension asset	2,315,270
Total assets	116,406,682
Deferred Outflows of Resources	
Pension related deferred outflows	1,347,909
OPEB related deferred outflows	205,791
Total deferred outflows of resources	1,553,700
Liabilities	
Accounts payable	2,906,461
Accrued interest payable	20,499
Salaries and benefits payable	492,544
Due to other governments	111,638
Advances from grantor	6,545
Unearned revenue	3,611,375
Long-term liabilities:	
Portion due or payable within one year:	
General obligation capital loan notes	765,000
General obligation bonds	450,000
Lease agreement	5,392
Equipment replacement agreement	24,913
Compensated absences	625,224
Total OPEB liability	116,359
Portion due or payable after one year:	
General obligation capital loan notes	4,810,000
Equipment replacement agreement	387,167
Compensated absences	1,333,716
Total OPEB liability	732,045
Total liabilities	16,398,878
Deferred Inflows of Resources	
Lease related	365,828
Unavailable property tax revenue	15,991,000
Unavailable tax increment financing revenue	481,000
Pension related deferred inflows	7,355,419
OPEB related deferred inflows	197,946
Total deferred inflows of resources	24,391,193
Net Position	
Net investment in capital assets	60,855,410
Restricted for:	
Nonexpendable:	
Permanent Fund	12,000
Expendable:	
Supplemental levy purposes	4,504,188
Secondary roads purposes	8,066,978
Local option sales and services tax purposes	2,200,159
Conservation land acquisition	378,126
Debt service	1,317,047
Opioid abatements	1,293,435
Other purposes	854,982
Unrestricted	(2,312,014)
Total net position	\$ 77,170,311

See notes to financial statements.

Jasper County
Statement of Activities
Year ended June 30, 2022

	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	\$ 7,252,787	1,133,852	32,442	23,350	(6,063,143)
Physical health and social services	1,839,672	344,261	2,111,466	-	616,055
Mental health	849,060	5,640	-	-	(843,420)
County environment and education	1,728,917	195,245	243,354	1,310,573	20,255
Roads and transportation	9,120,654	277,961	6,172,542	1,718,667	(951,484)
Governmental services to residents	1,339,867	971,143	405	-	(368,319)
Administration	3,877,850	65,702	193,940	-	(3,618,208)
Non-program	382,780	405,317	865	-	23,402
Interest on long-term debt	206,560	-	-	-	(206,560)
Total	\$ 26,598,147	3,399,121	8,755,014	3,052,590	(11,391,422)
General Revenues:					
Property and other county tax levied for:					
General purposes					15,152,264
Debt service					858,941
Tax increment financing					443,468
Penalty and interest on property tax					90,125
State tax credits					1,013,386
Local option sales and services tax					2,056,959
Unrestricted investment earnings					191,219
Gain on disposition of capital assets					55,794
Miscellaneous					249,662
Total general revenues					20,111,818
Change in net position					8,720,396
Net position beginning of year					68,449,915
Net position end of year					\$ 77,170,311

See notes to financial statements.

Jasper County
Balance Sheet
Governmental Funds

June 30, 2022

	Special Revenue		
	General	Rural Services	Secondary Roads
Assets			
Cash and pooled investments	\$ 12,936,806	542,206	8,678,818
Receivables:			
Property tax:			
Delinquent	22,422	4,750	-
Succeeding year	12,172,000	2,940,000	-
Succeeding year tax increment financing	-	-	-
Interest and penalty on property tax	107,259	-	-
Accounts	60,468	364	42,137
Loans	-	-	156,388
Opioid settlement	-	-	-
Advances to other funds	1,636,334	-	-
Due from other governments	160,937	-	622,093
Lease receivable	365,828	-	-
Inventories	-	-	455,636
Prepaid expenditures	113,360	-	-
Total assets	\$ 27,575,414	3,487,320	9,955,072
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 201,978	4,123	1,385,309
Salaries and benefits payable	368,301	5,075	119,168
Due to other governments	100,702	10,043	893
Advances from grantor	6,545	-	-
Advances from other funds	-	600,000	-
Unearned revenues	3,611,375	-	-
Total liabilities	4,288,901	619,241	1,505,370
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	12,172,000	2,940,000	-
Succeeding year tax increment financing	-	-	-
Lease related	365,828	-	-
Other	142,180	4,750	25,438
Total deferred inflows of resources	12,680,008	2,944,750	25,438
Fund balances:			
Nonspendable:			
Inventories	-	-	455,636
Prepaid expenditures	113,360	-	-
Permanent fund	-	-	-
Advances to other funds	1,636,334	-	-
Restricted for:			
Supplemental levy purposes	4,035,279	-	-
Secondary roads purposes	-	-	7,968,628
Local option sales and services tax purposes	-	-	-
Conservation land acquisition	378,126	-	-
Debt service	-	-	-
Other purposes	310,927	-	-
Unassigned	4,132,479	(76,671)	-
Total fund balances	10,606,505	(76,671)	8,424,264
Total liabilities, deferred inflows of resources and fund balances	\$ 27,575,414	3,487,320	9,955,072

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
654,393	212,177	3,290,110	26,314,510
1,463	-	32	28,667
879,000	-	-	15,991,000
-	-	481,000	481,000
-	-	-	107,259
-	-	-	102,969
-	-	-	156,388
-	-	1,293,435	1,293,435
-	-	-	1,636,334
-	1,403,220	168,399	2,354,649
-	-	-	365,828
-	-	-	455,636
-	-	-	113,360
<u>1,534,856</u>	<u>1,615,397</u>	<u>5,232,976</u>	<u>49,401,035</u>
-	911,297	2,390	2,505,097
-	-	-	492,544
-	-	-	111,638
-	-	-	6,545
-	1,036,334	-	1,636,334
-	-	-	3,611,375
<u>-</u>	<u>1,947,631</u>	<u>2,390</u>	<u>8,363,533</u>
879,000	-	-	15,991,000
-	-	481,000	481,000
-	-	-	365,828
<u>1,463</u>	<u>69,644</u>	<u>1,303,467</u>	<u>1,546,942</u>
<u>880,463</u>	<u>69,644</u>	<u>1,784,467</u>	<u>18,384,770</u>
-	-	-	455,636
-	-	-	113,360
-	-	12,000	12,000
-	-	-	1,636,334
-	-	-	4,035,279
-	-	-	7,968,628
-	-	2,200,159	2,200,159
-	-	-	378,126
654,393	-	681,690	1,336,083
-	-	552,270	863,197
-	(401,878)	-	3,653,930
<u>654,393</u>	<u>(401,878)</u>	<u>3,446,119</u>	<u>22,652,732</u>
<u>1,534,856</u>	<u>1,615,397</u>	<u>5,232,976</u>	<u>49,401,035</u>

Jasper County

Jasper County

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

June 30, 2022

Total governmental fund balances (page 21) \$ 22,652,732

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 \$117,988,818 and the accumulated depreciation/amortization is \$52,945,936. 65,042,882

Other long-term assets are not available to pay current year expenditures as follows:

Deferred inflows of resources	\$ 1,546,942	
Net pension asset	<u>2,315,270</u>	3,862,212

The Internal Service Fund is used by management to charge the costs of partial self funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included with governmental activities in the Statement of Net Position. 882,465

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

Deferred outflows of resources	1,553,700	
Deferred inflows of resources	<u>(7,553,365)</u>	(5,999,665)

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, 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. (9,270,315)

Net position of governmental activities (page 18) \$ 77,170,311

See notes to financial statements.

Jasper County

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

Year ended June 30, 2022

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Revenues:				
Property and other county tax	\$ 11,809,158	669,854	2,676,133	-
Tax increment financing	-	-	-	-
Local option sales and services tax	-	-	-	-
Interest and penalty on property tax	80,342	-	-	-
Intergovernmental	2,601,458	44,977	129,407	6,277,491
Licenses and permits	38,121	-	154,115	67,124
Charges for service	1,478,524	-	3,600	8,646
Use of money and property	260,664	-	-	-
Miscellaneous	502,786	-	17,696	196,678
Total revenues	16,771,053	714,831	2,980,951	6,549,939
Expenditures:				
Operating:				
Public safety and legal services	7,910,873	-	370,805	-
Physical health and social services	1,971,353	-	-	-
Mental health	3,651	859,223	-	-
County environment and education	1,268,726	-	445,784	-
Roads and transportation	-	-	-	7,733,139
Governmental services to residents	1,477,487	-	-	-
Administration	3,375,074	-	-	-
Non-program	47,467	-	-	-
Debt service	-	-	-	-
Capital projects	84,470	-	-	577,919
Total expenditures	16,139,101	859,223	816,589	8,311,058
Excess (deficiency) of revenues over (under) expenditures	631,952	(144,392)	2,164,362	(1,761,119)
Other financing sources (uses):				
Proceeds from sale of capital assets	5,000	-	19,000	-
Transfers in	1,567,307	-	400,000	3,199,750
Transfers out	(1,463,682)	-	(2,741,578)	-
Total other financing sources (uses)	108,625	-	(2,322,578)	3,199,750
Change in fund balances	740,577	(144,392)	(158,216)	1,438,631
Fund balances beginning of year	9,865,928	144,392	81,545	6,985,633
Fund balances end of year	\$ 10,606,505	-	(76,671)	8,424,264

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
859,128	-	-	16,014,273
-	-	443,436	443,436
-	-	2,056,959	2,056,959
-	-	-	80,342
57,187	1,395,981	20,588	10,527,089
-	-	-	259,360
-	-	8,293	1,499,063
-	865	2,130	263,659
9,032	48,100	14,210	788,502
925,347	1,444,946	2,545,616	31,932,683
-	-	15,155	8,296,833
-	-	-	1,971,353
-	-	-	862,874
-	-	-	1,714,510
-	-	-	7,733,139
-	-	13,589	1,491,076
-	-	19,816	3,394,890
-	-	-	47,467
1,483,021	-	-	1,483,021
-	6,424,463	40,362	7,127,214
1,483,021	6,424,463	88,922	34,122,377
(557,674)	(4,979,517)	2,456,694	(2,189,694)
-	-	-	24,000
538,556	919,000	-	6,624,613
-	-	(2,419,353)	(6,624,613)
538,556	919,000	(2,419,353)	24,000
(19,118)	(4,060,517)	37,341	(2,165,694)
673,511	3,658,639	3,408,778	24,818,426
654,393	(401,878)	3,446,119	22,652,732

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, 2022

Change in fund balances - Total governmental funds (page 25) \$ (2,165,694)

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	\$ 7,825,920	
Capital assets contributed by the Iowa Department of Transportation	1,619,231	
Depreciation/amortization expense	<u>(3,409,944)</u>	6,035,207

In the Statement of Activities, the gain on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources. 31,794

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	(3,068)	
Other	<u>1,341,978</u>	1,338,910

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 repayments. 1,388,248

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. 955,515

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	11,314	
Pension expense (reduction)	896,253	
OPEB expense	(54,624)	
Interest on long-term debt	<u>3,348</u>	856,291

The Internal Service Fund is used by management to charge the costs of the partial self-funding of the County's health insurance benefit plan to individual funds. The change in net position of the Internal Service Fund is reported with governmental activities. 280,125

Change in net position of governmental activities (page 19) \$ 8,720,396

See notes to financial statements.

Jasper County
Statement of Net Position
Proprietary Fund

June 30, 2022

	<u>Internal Service-Employee Group Health</u>
Assets	
Cash and cash equivalents	\$ 1,212,851
Accounts receivable	<u>70,978</u>
Total assets	1,283,829
Liabilities	
Accounts payable	<u>401,364</u>
Net Position	
Restricted for employee health	<u>\$ 882,465</u>

See notes to financial statements.

Jasper County

Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Fund

June 30, 2022

		<u>Internal Service-Employee Group Health</u>
Operating revenues:		
Reimbursements from operating funds		\$ 2,646,108
Reimbursements from employees and others		222,207
Insurance reimbursements		<u>43,665</u>
Total operating revenues		2,911,980
Operating expenses:		
Medical claims	\$ 2,061,342	
Insurance premiums	359,277	
Administrative fees	163,000	
Miscellaneous	<u>49,314</u>	<u>2,632,933</u>
Operating income		279,047
Non-operating revenues:		
Interest income		<u>1,078</u>
Net income		280,125
Net position beginning of year		<u>602,340</u>
Net position end of year		<u>\$ 882,465</u>

See notes to financial statements.

Jasper County
Statement of Cash Flows
Proprietary Fund

June 30, 2022

	Internal Service-Employee Group Health
Cash flows from operating activities:	
Cash received from operating fund reimbursements	\$ 2,616,502
Cash received from employees and others	222,207
Cash received from stop loss insurance recoveries	43,665
Cash paid for administrative fees	(138,889)
Cash paid to suppliers for services	(2,303,021)
Net cash provided by operating activities	440,464
Cash flows from investing activities:	
Interest on investments	1,078
Net increase in cash and cash equivalents	441,542
Cash and cash equivalents beginning of year	771,309
Cash and cash equivalents end of year	\$ 1,212,851
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 279,047
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
Accounts receivable	(29,606)
Accounts payable	191,023
Net cash provided by operating activities	\$ 440,464

See notes to financial statements.

Jasper County
Statement of Fiduciary Net Position
Custodial Funds

June 30, 2022

	Other Employee Benefit Trust	Custodial
Assets		
Cash and pooled investments:		
County Treasurer	\$ 110,098	3,035,470
Other County officials	-	71,739
Receivables:		
Property tax:		
Delinquent	-	75,575
Succeeding year	-	46,509,000
Accounts	-	20,164
Special assessments	-	124,417
Due from other governments	-	97,811
Total assets	110,098	49,934,176
Liabilities		
Accounts payable	-	28,517
Salaries and benefits payable	-	18,846
Due to other governments	-	1,841,851
Trusts payable	-	93,888
Compensated absences	-	68,452
Total liabilities	-	2,051,554
Deferred Inflows of Resources		
Unavailable property tax revenue	-	46,509,000
Net position		
Held in trust for employee benefits	110,098	-
Restricted for individuals, organizations and other governments	-	1,373,622
Total net position	\$ 110,098	1,373,622

See notes to financial statements.

Jasper County
Statement of Changes in Fiduciary Net Position
Custodial Funds

Year ended June 30, 2022

	Other Employee Benefit Trust	Custodial
Additions:		
Donations and contributions	\$ 42,120	-
Property and other county tax	-	45,250,837
911 surcharge	-	597,991
State tax credits	-	3,205,179
Drivers license fees	-	252,208
Office fees and collections	-	1,812,588
Auto licenses, use tax and postage	-	13,764,475
Assessments	-	86,695
Trusts	-	2,066,802
Miscellaneous	-	508
Total additions	42,120	67,037,283
Deductions:		
Distributions to participants	92,506	-
Agency remittances:		
To other funds	-	1,630,579
To other governments	-	64,337,931
Trusts paid out	-	977,650
Total deductions	92,506	66,946,160
Change in net position held in trust	(50,386)	91,123
Net position beginning of year	160,484	1,282,499
Net position end of year	\$ 110,098	1,373,622

See notes to financial statements.

Jasper County

Notes to Financial Statements

June 30, 2022

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 Custodial Funds of the County.

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, proprietary 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 funds:

Proprietary Fund – An Internal Service Fund is utilized to account for the financing of goods or services purchased by one department of the County and provided to other departments or agencies on a cost-reimbursement basis.

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.

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's Internal Service Fund is charges to customers for sales and services. Operating expenses for Internal Service Funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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, Cash Equivalents and Pooled Investments – The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund unless otherwise provided by law. Investments are stated at fair value except for non-negotiable certificates of deposit which are stated at amortized cost.

For the purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

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, 2020 assessed property valuations; is for the tax accrual period July 1, 2021 through June 30, 2022 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2021.

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.

Advances to/from Other Funds – Non-current portions of long-term interfund loan receivables are reported as advances and are offset equally by a nonspendable fund balance which indicates they do not constitute expendable available financial resources and, therefore, are not available to liquidate current obligations.

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 (except for intangible right-to-use lease assets, the measurement of which is discussed under “Leases” below) if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Intangibles	\$ 100,000
Infrastructure	50,000
Land improvements	5,000
Land, buildings and improvements	5,000
Machinery, equipment and vehicles	5,000
Right-to-use leased assets	5,000

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, the right to use leased equipment and infrastructure are depreciated/amortized using the straight line method over the following estimated useful lives:

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

Leases

County as Lessee: Jasper County is the lessee for a noncancellable lease of equipment. The County has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payment expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payment made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how Jasper County determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

Jasper County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and a purchase option price that the county is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

County as Lessor: Jasper County is a lessor for a noncancellable lease of farmland. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue of the life of the lease term.

Key estimates and judgments include how Jasper County determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts.

Jasper County uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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

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

Unearned Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Unearned revenue in the government-wide and governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the County has not made a qualifying expenditure. Unearned revenue consists of unspent American Rescue Plan Act proceeds.

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation, 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, proprietary fund 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, 2022. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services and Secondary Roads Funds.

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

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

Pensions – For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense (reduction), 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 asset attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services and Secondary Roads Funds.

Total OPEB Liability – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on 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, 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, the unamortized portion of the net difference between projected and actual earnings on pension plan assets and deferred amounts related to leases.

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

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

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

Unassigned – All amounts not included in the preceding classifications.

Net Position – The net position of the Internal Service, Employee Group Health Fund is designated for anticipated future catastrophic losses of the County.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2022, disbursements exceeded the amounts budgeted in the debt service function prior to the June 13, 2022 budget amendment and in the mental health, non-program and debt service functions at year end. In addition, disbursements in certain departments exceeded the amounts appropriated at year end and prior to the budget amendments.

2) Cash, Cash Equivalents and Pooled Investments

The County's deposits in banks at June 30, 2022 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, 2022 is as follows:

Transfer to	Transfer from	Amount
General	Special Revenue: Local Option Sales and Services Tax	<u>\$ 1,567,307</u>
Special Revenue: Rural Services	Special Revenue: Local Option Sales and Services Tax	<u>400,000</u>
Secondary Roads	General Special Revenue: Rural Services	<u>458,172</u> <u>2,741,578</u>
		<u>3,199,750</u>
Debt Service	General Special Revenue: Tax increment financing	<u>86,510</u> <u>452,046</u>
		<u>538,556</u>
Capital Projects	General	<u>919,000</u>
Total		<u>\$ 6,624,613</u>

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

4) Advances To and From other Funds

Receivable Fund	Payable Fund	Amount
General	Rural Services	\$ 600,000
	Capital Projects	<u>1,036,334</u>
		<u>\$ 1,636,334</u>

During fiscal year 2022, the County approved an interfund loan from the General Fund to the Rural Services Fund for \$600,000. The interfund loan was made to cover a low cash balance in the fund.

During fiscal year 2022, the County approved an interfund loan from the General Fund to the Capital Projects Fund for \$1,036,334. The interfund loan was made to make the necessary contractor payments for the Red Rock Prairie Trail project.

5) Capital Assets

Capital assets activity for the year ended June 30, 2022 was as follows:

	Balance Beginning of Year, as Restated	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 2,569,492	-	-	2,569,492
Construction in progress	8,510,465	8,532,618	6,527,915	10,515,168
Total capital assets not being depreciated/amortized	11,079,957	8,532,618	6,527,915	13,084,660
Capital assets being depreciated/amortized:				
Buildings	11,810,493	41,056	-	11,851,549
Improvements other than buildings	3,321,606	133,788	-	3,455,394
Machinery, equipment and vehicles	13,308,489	914,840	201,661	14,021,668
Right-to-use leased equipment	11,728	-	-	11,728
Intangibles	145,252	-	-	145,252
Infrastructure	69,024,440	6,394,127	-	75,418,567
Total capital assets being depreciated/amortized	97,622,008	7,483,811	201,661	104,904,158
Less accumulated depreciation/amortization for:				
Buildings	3,850,017	237,025	-	4,087,042
Improvements other than buildings	1,295,187	143,769	-	1,438,956
Machinery, equipment and vehicles	8,260,252	954,844	190,092	9,025,004
Right-to-use leased assets	-	6,397	-	6,397
Intangibles	58,103	7,262	-	65,365
Infrastructure	36,262,525	2,060,647	-	38,323,172
Total accumulated depreciation/amortization	49,726,084	3,409,944	190,092	52,945,936
Total capital assets being depreciated/amortized, net	47,895,924	4,073,867	11,569	51,958,222
Governmental activities capital assets, net	\$ 58,975,881	12,606,485	6,539,484	65,042,882

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 557,850
Physical health and social services	3,170
County environment and education	69,950
Roads and transportation	2,499,334
Governmental services to residents	36,755
Administration	242,885
Total depreciation/amortization expense - governmental activities	<u>\$ 3,409,944</u>

Equipment costing \$447,700 was purchased under an equipment replacement agreement. Accumulated depreciation on these assets totaled \$59,693 at June 30, 2022.

6) Lease Receivable

On September 23, 2021, the County entered into a five-year agreement to rent County-owned farmland. The County is to receive \$39,379 semi-annually with an estimated implicit interest rate of 3.75% with the final receipt due December 1, 2026. During the year ended June 30, 2022, the County received \$39,379 in principal and no interest.

On December 14, 2021, the County entered three-year agreement to rent County owned farmland. The County is to receive \$5,767 semi-annually with an estimated implicit interest rate of 3.75% with the final receipt due December 15, 2024. During the year ended June 30, 2022, the County received \$5,767 in principal and no interest.

On April 5, 2022, the County entered into a three-year agreement to rent office space to Heart of Iowa Regional Transit Agency. The County is to receive \$487 monthly with an implicit interest rate of 4% with the final receipt due March 1, 2025. During the year ended June 30, 2022, the County received \$1,355 in principal and \$106 in interest.

Year Ending June 30,	Principal	Interest	Total
2023	\$ 83,201	12,935	96,136
2024	86,366	9,770	96,136
2025	82,418	6,491	88,909
2026	75,188	3,571	78,759
2027	38,655	725	39,380
	<u>\$ 365,828</u>	<u>33,492</u>	<u>399,320</u>

7) 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, 2022 is as follows:

Fund	Description	Amount
General	Services	\$ 100,702
Special Revenue:		
Rural Services	Services	10,043
Secondary Roads	Services	893
Total for governmental funds		<u>\$ 111,638</u>
Custodial:		
County Offices	Collections	\$ 50,990
Schools		226,670
Community Colleges		10,770
Corporations		120,832
Auto License and Use Tax		1,215,802
All other		216,787
Total for agency funds		<u>\$ 1,841,851</u>

8) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2022 is as follows:

	General Obligation Capital Loan Notes	General Obligation Bonds	Lease Agreements	Equipment Replacement Agreement	Installment Purchase Agreement	Compensated Absences	Net Pension Liability (asset)	Total OPEB Liability	Total
Balance beginning of year, as restated	\$ 6,110,000	1,130,000	11,728	436,054	142,938	1,970,254	7,100,786	979,464	17,881,224
Increases	-	-	-	-	-	741,978	-	122,301	864,279
Decreases	535,000	680,000	6,336	23,974	142,938	753,292	9,416,056	253,361	11,810,957
Balance end of year	<u>\$ 5,575,000</u>	<u>450,000</u>	<u>5,392</u>	<u>412,080</u>	<u>-</u>	<u>1,958,940</u>	<u>(2,315,270)</u>	<u>848,404</u>	<u>6,934,546</u>
Due within one year	<u>\$ 765,000</u>	<u>450,000</u>	<u>5,392</u>	<u>24,913</u>	<u>-</u>	<u>625,224</u>	<u>-</u>	<u>116,359</u>	<u>1,986,888</u>

General Obligation Capital Loan Notes

A summary of the County's June 30, 2022 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
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		-	-	2.50	435,000	22,445
2027		-	-	2.60	445,000	11,570
Total		<u>\$ 140,000</u>	<u>2,030</u>		<u>\$ 2,115,000</u>	<u>157,100</u>

Year Ending June 30,	Series 2021 Issued May 10, 2021			Total		
	Interest Rates	Principal	Interest	Principal	Interest	Total
2023	3.00%	\$ 220,000	99,600	\$ 765,000	151,065	916,065
2024	3.00	860,000	93,000	1,270,000	134,335	1,404,335
2025	3.00	905,000	67,200	1,325,000	99,515	1,424,515
2026	3.00	925,000	40,050	1,360,000	62,495	1,422,495
2027	3.00	410,000	12,300	855,000	23,870	878,870
Total		<u>\$ 3,320,000</u>	<u>312,150</u>	<u>\$ 5,575,000</u>	<u>471,280</u>	<u>6,046,280</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 \$140,000 and interest of \$3,920 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, 2022, the County paid principal of \$395,000 and interest of \$56,545 on the notes.

On May 10, 2021, the County issued \$3,320,000 of general obligation capital loan notes, Series 2021 for the purpose to pay costs 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 notes bear interest at 3.00% per annum and mature in June 2027. During the year ended June 30, 2022, no payments for principal were made and the County paid interest of \$105,410 on the notes.

General Obligation Bonds

A summary of the County’s June 30, 2022 general obligation bonded indebtedness is as follows:

Year Ending June 30,	Refunding Issued Jan 10, 2012		
	Interest Rates	Principal	Interest
2023	2.25%	\$ 450,000	10,125

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 matured in June 2022. During the year ended June 30, 2022, the County paid principal of \$240,000 and interest of \$5,160 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, 2022, the County paid principal of \$440,000 and interest of \$19,585 on the bonds.

Lease Agreement

On April 30, 2020, the County entered into a noncancelable lease agreement for fiber optic cable to the Jasper County Law Enforcement Center. The agreement requires monthly payments of \$546 over three years with an estimated implicit interest rate of 2.75% and a final payment due on April 1, 2023. During the year ended June 30, 2022, the County paid principal of \$6,336 and interest of \$216 on the agreement.

Future principal and interest lease payments as of June 30, 2022 are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 5,392	68	5,460

Equipment Replacement Agreement

During the year ended June 30, 2021, the County entered into an equipment replacement agreement of \$589,602, including interest at 3.88% per annum, for solar modules for County buildings. The following is a schedule of the future minimum lease payments under the agreement in effect at June 30, 2022:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 24,913	15,749	40,662
2024	25,889	14,773	40,662
2025	26,903	13,759	40,662
2026	27,957	12,705	40,662
2027	29,052	11,610	40,662
2028-2032	163,252	40,059	203,311
2033-2035	114,114	7,872	121,986
	<u>\$ 412,080</u>	<u>116,527</u>	<u>528,607</u>

Payments for the equipment replacement agreement totaled \$40,662 for the year ended June 30, 2022, including interest of \$16,689.

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. The equipment was received by the County and placed in service during the year ended June 30, 2020.

During the fiscal year ended June 30, 2022, the County paid the final installment payment of \$142,938 on the agreement.

9) 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 2022, 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 9.01% of covered payroll for a total rate of 18.02%. Protection occupation members contributed 6.21% of covered payroll and the County contributed 9.31% for a total rate of 15.52%.

The County's contributions to IPERS for the year ended June 30, 2022 totaled \$955,515.

Net Pension Asset, Pension Expense (Reduction), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2022, the had an asset of \$2,315,270 for its proportionate share of the overall plan net pension asset. The overall plan net pension asset was measured as of June 30, 2021. The total plan pension liability used in its calculation of the overall plan net pension asset was determined by an actuarial valuation as of that date. The County's proportion of the overall plan net pension asset was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2021, the County's proportion of the overall plan net pension asset was 0.670652%, which was an increase of 0.569569% over its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the County recognized pension expense (reduction) of \$(896,253). At June 30, 2022, 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	\$ 273,745	110,368
Changes of assumptions	110,883	67,633
Net difference between projected and actual earnings on IPERS' investments	-	6,841,965
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	7,766	335,453
County contributions subsequent to the measurement date	955,515	-
Total	\$ 1,347,909	7,355,419

\$955,515 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 (asset) in the year ending June 30, 2023. 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
2023	\$ (1,763,944)
2024	(1,723,420)
2025	(1,589,679)
2026	(1,888,082)
2027	2,100
Total	\$ (6,963,025)

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension asset in the June 30, 2021 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, 2021 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 2022 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 geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	22.0%	4.43%
International equity	17.5	6.01
Global smart beta equity	6.0	5.10
Core plus fixed income	26.0	0.29
Public credit	4.0	2.08
Cash	1.0	(0.25)
Private equity	13.0	9.51
Private real assets	7.5	4.63
Private credit	3.0	2.87
Total	<u>100.0%</u>	

Discount Rate – The discount rate used to measure the total pension asset 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 asset.

Sensitivity of the County's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 3,956,176	(2,315,270)	(7,568,900)

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, 2022.

10) Other Postemployment Benefits (OPEB)

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

OPEB Benefits – Individuals who are employed by 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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	13
Active employees	<u>165</u>
Total	<u>178</u>

Total OPEB Liability – The County's total OPEB liability of \$848,404 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2022 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, 2022)	2.60% per annum.
Rates of salary increase (effective June 30, 2022)	3.25% per annum, including inflation.
Discount rate (effective June 30, 2022)	4.09% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2022)	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 4.09% 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-2021. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used for IPERS.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 979,464
Changes for the year:	
Service cost	99,505
Interest	22,796
Differences between expected and actual experiences	(97,898)
Changes in assumptions	(78,968)
Benefit payments	(76,495)
Net changes	<u>(131,060)</u>
Total OPEB liability end of year	<u>\$ 848,404</u>

Changes of assumptions reflect a change in the discount rate from 2.19% in fiscal year 2021 to 4.09% in fiscal year 2022.

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 (3.09%) or 1% higher (5.09%) than the current discount rate.

	1% Decrease (3.09%)	Discount Rate (4.09%)	1% Increase (5.09%)
Total OPEB liability	\$ 902,331	848,404	797,088

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.

	1% Decrease (6.50%)	Healthcare Cost Trend Rate (7.50%)	1% Increase (8.50%)
Total OPEB liability	\$ 764,744	848,404	946,550

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2022, the County recognized OPEB expense of \$131,119. At June 30, 2022, 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	\$ 151,905	114,381
Changes in assumptions	53,886	83,565
Total	<u>\$ 205,791</u>	<u>197,946</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
2023	\$ 8,818
2024	8,818
2025	8,814
2026	21,734
2027	17,514
Thereafter	<u>(57,853)</u>
	<u>\$ 7,845</u>

11) 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 794 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, employment practices liability, public officials liability and police professional liability. 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, 2022 were \$289,739.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, employment practices, 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, 2022, no liability has been recorded in the County's financial statements. As of June 30, 2022, 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.

12) Employee Health Insurance Plan

The Internal Service, Employee Group Health Fund was established to account for the partial self-funding of the County’s health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Wellmark. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of \$100,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Wellmark from the Employee Group Health Fund. The County’s contribution for the year ended June 30, 2022 was \$2,646,108.

Amounts payable from the Employee Group Health Fund at June 30, 2022 total \$401,364, which is incurred for but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior-year and current-year claims and to establish a reserve for catastrophic losses. That reserve was \$882,465. At June 30, 2022 and is reported as a designation of the Internal Service, Employee Group Health Fund net position. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for the current year is as follows:

Unpaid claims beginning of year	\$ 210,341
Incurred claims (including claims incurred but not reported at June 30, 2022)	2,061,342
Payments:	
Payment on claims during the year	<u>1,870,319</u>
Unpaid claims end of year	<u>\$ 401,364</u>

13) 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, 2022 is \$1,040,236.

For the year ended June 30, 2022, twelve employees participated and received benefits totaling \$92,506 under the program. The County contributed \$42,120 to the fund for retirees under the program.

14) 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. Additionally, the City of Colfax offered an urban revitalization tax abatement program pursuant to Chapter 404 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, 2022 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	\$ 4,495
City of Colfax	Urban renewal and economic development projects	627
	Chapter 404 tax abatement program	4,639
City of Newton	Urban renewal and economic development projects	68,569
City of Sully	Urban renewal and economic development projects	26,926
City of Kellogg	Urban renewal and economic development projects	19,149

15) Loans Receivable

During the year ended June 30, 2015, the County entered into a 28E agreement with the City of Kellogg for a bridge replacement within the Kellogg 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 five years, with equal payments of \$7,700 with the first payment due September 30, 2022, however the first payment was made during the year ended June 30, 2022. As of June 30, 2022, the outstanding loan receivable is \$30,800.

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, 2022, \$127,500 has been received and the outstanding loan receivable is \$125,588.

16) 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, Cerro Gordo County, Franklin County, Greene County, Hamilton County, Hancock County, Hardin County, Jasper County, Madison County, Marshall County, Poweshiek County, Story County, Warren County, Webster County and Wright 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, 2022, as follows:

Revenues:		
Property and other county tax		\$ 669,854
Intergovernmental:		
State tax credits	\$ 44,464	
Other	513	44,977
		<u>714,831</u>
Total revenues		<u>714,831</u>
Expenditures:		
Services to persons with:		
Mental illness		64,819
General administration:		
Direct administration	46,488	
Distribution to regional fiscal agent	747,916	794,404
		<u>859,223</u>
Total expenditures		<u>859,223</u>
Excess of expenditures over revenues		(144,392)
Fund balance beginning of year		<u>144,392</u>
Fund balance end of year		<u>\$ -</u>

17) Deficit Fund Balances

The Special Revenue, Rural Services Fund and Capital Projects Fund had deficit fund balances of \$76,671 and \$401,878, respectively, at June 30, 2022. The County is investigating alternatives to eliminate the deficit in the Special Revenue, Rural Services Fund. The deficit in the Capital Projects Fund occurred as a result of project costs incurred prior to the availability of grant funds. The deficit will be eliminated upon receipt of grant funds.

18) Opioid Litigation Settlement

The State of Iowa along with other states settled claims that certain prescription drug companies and pharmaceutical distributors engaged in misleading and fraudulent conduct in the marketing and sale of opioids and failed to monitor for, detect and prevent diversion of the drugs. The County has settled the same claims and related claims. Due to its settlement of these claims, the County will receive payments from the Defendant companies over the next seventeen years. The County is required to use these funds for activities to remediate the opioid crisis and treat or mitigate opioid use disorder and related disorders through prevention, harm reduction, treatment and recover services.

19) Accounting Change

Governmental Accounting Standards Board Statement No. 87, Leases, was implemented during fiscal year 2022. The new requirements require the reporting of certain lease assets and liabilities which were previously not reported. The result of these changes had no effect on the beginning net position.

	Capital Assets	Long-term Liabilities Lease Agreements
Balances June 30, 2021, as previously reported	\$ 58,964,153	-
Change to implement GASB No. 87	11,728	11,728
Balances July 1, 2021, as restated	<u>\$ 58,975,881</u>	<u>11,728</u>

20) Prospective Accounting Change

Governmental Accounting Standards Board has issued Statement No. 96, Subscription-Based Information Technology Arrangements. This statement will be implanted for the fiscal year ending June 30, 2023. The revised requirements of this statement will require reporting of the right to use another party's information technology software alone or in combination with tangible capital assets that are not currently reported.

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, 2022

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	\$ 18,500,164	-	18,500,164
Interest and penalty on property tax	80,342	-	80,342
Intergovernmental	12,780,783	-	12,780,783
Licenses and permits	265,401	-	265,401
Charges for service	1,504,142	-	1,504,142
Use of money and property	294,992	-	294,992
Miscellaneous	671,321	-	671,321
Total receipts	34,097,145	-	34,097,145
Disbursements:			
Public safety and legal services	8,196,278	-	8,196,278
Physical health and social services	1,958,434	-	1,958,434
Mental health	860,994	-	860,994
County environment and education	1,703,522	-	1,703,522
Roads and transportation	7,686,195	-	7,686,195
Governmental services to residents	1,452,200	-	1,452,200
Administration	3,443,987	-	3,443,987
Non-program	75,001	-	75,001
Debt service	1,483,021	-	1,483,021
Capital projects	6,329,182	-	6,329,182
Total disbursements	33,188,814	-	33,188,814
Excess (deficiency) of receipts over (under) disbursements	908,331	-	908,331
Other financing sources, net	-	-	-
Change in balances	908,331	-	908,331
Balance beginning of year, as restated	25,406,179	57,884	25,348,295
Balance end of year	\$ 26,314,510	57,884	26,256,626

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Net
		Variance
17,449,565	18,399,865	100,299
40,000	40,000	40,342
9,591,893	13,059,235	(278,452)
205,100	210,188	55,213
1,302,642	1,380,082	124,060
221,117	209,508	85,484
4,142,401	4,413,706	(3,742,385)
<u>32,952,718</u>	<u>37,712,584</u>	<u>(3,615,439)</u>
7,988,258	8,620,708	424,430
1,922,520	2,133,023	174,589
576,300	757,660	(103,334)
1,703,973	1,781,157	77,635
8,092,922	7,722,327	36,132
1,643,505	1,652,511	200,311
3,929,331	4,080,390	636,403
31,458	31,458	(43,543)
1,398,191	1,432,331	(50,690)
7,285,600	7,734,579	1,405,397
<u>34,572,058</u>	<u>35,946,144</u>	<u>2,757,330</u>
(1,619,340)	1,766,440	(858,109)
-	-	-
<u>(1,619,340)</u>	<u>1,766,440</u>	<u>(858,109)</u>
<u>18,206,169</u>	<u>15,787,695</u>	<u>9,560,600</u>
<u>16,586,829</u>	<u>17,554,135</u>	<u>8,702,491</u>

Jasper County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2022

	<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	\$ 34,097,145	(2,164,462)	31,932,683
Expenditures	33,188,814	933,563	34,122,377
Net	908,331	(3,098,025)	(2,189,694)
Other financing sources	-	24,000	24,000
Beginning fund balances	25,406,179	(587,753)	24,818,426
Ending fund balances	<u>\$ 26,314,510</u>	<u>(3,661,778)</u>	<u>22,652,732</u>

See accompanying independent auditor's report.

Jasper County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2022

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

Formal and legal budgetary control is based upon 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 \$1,374,086. 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, 2022, disbursements exceeded the amounts budgeted in the debt service function prior to amendment and in the mental health, nonprogram and debt service functions for the year ended June 30, 2022. In addition, disbursements in certain departments exceeded the amounts appropriated at year end and prior to the budget amendments.

Jasper County

Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)

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

Required Supplementary Information

	2022	2021	2020	2019
County's proportion of the net pension liability/asset	0.670652% **	0.101083%	0.097319%	0.100727%
County's proportionate share of the net pension liability (asset)	\$ (2,315)	7,101	5,635	6,374
County's covered payroll	\$ 10,057	10,170	10,038	9,849
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(23.02)%	69.82%	56.14%	64.72%
IPERS' net position as a percentage of the total pension liability (asset)	100.81%	82.90%	85.45%	83.62%

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

** Overall plan net pension asset.

See accompanying independent auditor's report.

2018	2017	2016	2015
0.106372%	0.109621%	0.100784%	0.096791%
7,086	6,899	4,979	3,839
9,582	9,494	8,840	8,482
73.95%	72.67%	56.32%	45.26%
82.21%	81.82%	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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Statutorily required contribution	\$ 956	948	966	958
Contributions in relation to the statutorily required contribution	<u>(956)</u>	<u>(948)</u>	<u>(966)</u>	<u>(958)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 10,206	10,057	10,170	10,038
Contributions as a percentage of covered payroll	9.37%	9.43%	9.50%	9.54%

See accompanying independent auditor's report.

2018	2017	2016	2015	2014	2013
894	873	868	810	776	732
(894)	(873)	(868)	(810)	(776)	(732)
-	-	-	-	-	-
9,849	9,582	9,494	8,840	8,482	8,172
9.08%	9.11%	9.14%	9.16%	9.15%	8.96%

Jasper County

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2022

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 Five Years
Required Supplementary Information

	2022	2021	2020	2019	2018
Service cost	\$ 99,505	88,776	51,073	45,926	44,420
Interest cost	22,796	25,216	22,500	21,823	22,483
Difference between expected and actual experiences	(97,898)	11,825	212,157	19,701	(70,058)
Changes in assumptions	(78,968)	31,166	35,093	14,046	(33,314)
Benefit payments	(76,495)	(72,957)	(30,438)	(28,522)	(29,854)
Net change in total OPEB liability	(131,060)	84,026	290,385	72,974	(66,323)
Total OPEB liability beginning of year	979,464	895,438	605,053	532,079	598,402
Total OPEB liability end of year	\$ 848,404	979,464	895,438	605,053	532,079
Covered-employee payroll	\$ 9,613,448	10,276,284	9,397,773	10,129,122	9,204,083
Total OPEB liability as a percentage of covered-employee payroll	8.8%	9.5%	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

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

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

The 2021 valuation implemented the following refinements as a result of a new actuarial opinion dated June 30, 2021:

- Changed mortality assumptions to the SOA MP-2021 tables.

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, 2022	4.09%
Year ended June 30, 2021	2.19%
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, 2022

	County Recorder's Records Management	Resource Enhancement and Protection	Special Local Option Sales and Services Tax
Assets			
Cash, cash equivalents and pooled investments	\$ 50,960	256,203	2,042,455
Receivables:			
Delinquent property tax	-	-	-
Succeeding year tax increment financing	-	-	-
Opioid settlement	-	-	-
Due from other governments	-	-	157,704
Total assets	\$ 50,960	256,203	2,200,159
Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ -	2,390	-
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	-	-	2,200,159
Debt service	-	-	-
Other purposes	50,960	253,813	-
	50,960	253,813	2,200,159
Total deferred inflows of resources and fund balances	\$ 50,960	256,203	2,200,159

See accompanying independent auditor's report.

Revenue					
Drainage Districts	Tax Increment Financing	Local Government Opioid Abatement	Other	Permanent Loskot Trust	Total
57,884	681,690	-	184,486	16,432	3,290,110
-	32	-	-	-	32
-	481,000	-	-	-	481,000
-	-	1,293,435	-	-	1,293,435
-	-	-	10,695	-	168,399
57,884	1,162,722	1,293,435	195,181	16,432	5,232,976
-	-	-	-	-	2,390
-	481,000	-	-	-	481,000
-	32	1,293,435	10,000	-	1,303,467
-	481,032	1,293,435	10,000	-	1,784,467
-	-	-	-	12,000	12,000
-	-	-	-	-	2,200,159
-	681,690	-	-	-	681,690
57,884	-	-	185,181	4,432	552,270
57,884	681,690	-	185,181	16,432	3,446,119
57,884	1,162,722	1,293,435	195,181	16,432	5,232,976

Jasper County

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

Year ended June 30, 2022

	County Recorder's Records Management	Resource Enhancement and Protection	Special Local Option Sales and Services Tax
Revenues:			
Tax increment financing	\$ -	-	-
Local option sales and services tax	-	-	2,056,959
Intergovernmental	-	15,434	-
Charges for service	8,293	-	-
Use of money and property	307	1,543	-
Miscellaneous	-	-	-
Total revenues	<u>8,600</u>	<u>16,977</u>	<u>2,056,959</u>
Expenditures:			
Operating:			
Public safety and legal services	-	-	-
Government services to residents	13,589	-	-
Administration	-	-	-
Capital projects	-	40,362	-
Total expenditures	<u>13,589</u>	<u>40,362</u>	<u>-</u>
Excess of revenues over expenditures	(4,989)	(23,385)	2,056,959
Other financing uses:			
Transfers out	-	-	(1,967,307)
Change in fund balances	(4,989)	(23,385)	89,652
Fund balances beginning of year	<u>55,949</u>	<u>277,198</u>	<u>2,110,507</u>
Fund balances end of year	<u>\$ 50,960</u>	<u>253,813</u>	<u>2,200,159</u>

See accompanying independent auditor's report.

Revenue

Drainage Districts	Tax Increment Financing	Other	Permanent Loskot Trust	Total
-	443,436	-	-	443,436
-	-	-	-	2,056,959
-	2,467	2,687	-	20,588
-	-	-	-	8,293
-	-	226	54	2,130
-	-	14,210	-	14,210
-	445,903	17,123	54	2,545,616
-	-	15,155	-	15,155
-	-	-	-	13,589
-	-	19,816	-	19,816
-	-	-	-	40,362
-	-	34,971	-	88,922
-	445,903	(17,848)	54	2,456,694
-	(452,046)	-	-	(2,419,353)
-	(6,143)	(17,848)	54	37,341
57,884	687,833	203,029	16,378	3,408,778
57,884	681,690	185,181	16,432	3,446,119

Jasper County
Combining Schedule of Fiduciary Net Position
Custodial Funds

June 30, 2022

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ -	2,404	356,982	226,670
Other County officials	71,739	-	-	-
Receivables:				
Property tax:				
Delinquent	-	531	755	51,173
Succeeding year	-	302,000	417,000	28,640,000
Accounts	-	-	-	-
Special assessments	-	-	-	-
Due from other governments	-	-	-	-
Total assets	71,739	304,935	774,737	28,917,843
Liabilities				
Liabilities:				
Accounts payable	-	-	20,088	-
Salaries and benefits payable	-	-	11,969	-
Due to other governments	50,990	2,404	-	226,670
Trusts payable	20,749	-	-	-
Compensated absences	-	-	13,392	-
Total liabilities	71,739	2,404	45,449	226,670
Deferred Inflows of Resources				
Unavailable revenues	-	302,000	417,000	28,640,000
Net Position				
Restricted for individuals, organizations and other governments	\$ -	531	312,288	51,173

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Other	Total
10,770	120,832	3,587	6,785	1,215,802	1,091,638	3,035,470
-	-	-	-	-	-	71,739
2,143	19,388	1,418	-	-	167	75,575
1,409,000	11,754,000	611,000	-	-	3,376,000	46,509,000
-	-	-	-	-	20,164	20,164
-	-	-	124,417	-	-	124,417
-	-	-	-	-	97,811	97,811
1,421,913	11,894,220	616,005	131,202	1,215,802	4,585,780	49,934,176
-	-	-	-	-	8,429	28,517
-	-	-	-	-	6,877	18,846
10,770	120,832	3,587	6,785	1,215,802	204,011	1,841,851
-	-	-	-	-	73,139	93,888
-	-	-	-	-	55,060	68,452
10,770	120,832	3,587	6,785	1,215,802	347,516	2,051,554
1,409,000	11,754,000	611,000	-	-	3,376,000	46,509,000
2,143	19,388	1,418	124,417	-	862,264	1,373,622

Jasper County

Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds

Year ended June 30, 2022

	County Offices	Agricultural Extension Education	County Assessor	Schools
Additions:				
Property and other county tax	\$ -	295,279	419,722	27,937,969
911 surcharge	-	-	-	-
State tax credits	-	19,831	28,201	1,877,098
Driver's license fees	-	-	-	-
Office fees and collections	1,804,295	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	1,544,492	-	-	-
Miscellaneous	-	-	500	-
Total additions	3,348,787	315,110	448,423	29,815,067
Deductions:				
Agency remittances:				
To other funds	1,162,424	-	-	-
To other governments	1,208,713	315,179	464,718	29,818,661
Trusts paid out	977,650	-	-	-
Total deductions	3,348,787	315,179	464,718	29,818,661
Changes in net position	-	(69)	(16,295)	(3,594)
Net position beginning of year	-	600	328,583	54,767
Net position end of year	\$ -	531	312,288	51,173

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Other	Total
1,340,509	11,071,643	574,193	-	-	3,611,522	45,250,837
-	-	-	-	-	597,991	597,991
86,990	1,056,471	26,033	-	-	110,555	3,205,179
-	-	-	-	252,208	-	252,208
-	-	-	-	-	8,293	1,812,588
-	-	-	-	13,764,475	-	13,764,475
-	-	-	86,695	-	-	86,695
-	-	-	-	-	522,310	2,066,802
-	-	-	-	-	8	508
1,427,499	12,128,114	600,226	86,695	14,016,683	4,850,679	67,037,283
-	-	-	-	468,155	-	1,630,579
1,427,536	12,133,396	600,110	71,596	13,548,528	4,749,494	64,337,931
-	-	-	-	-	-	977,650
1,427,536	12,133,396	600,110	71,596	14,016,683	4,749,494	66,946,160
(37)	(5,282)	116	15,099	-	101,185	91,123
2,180	24,670	1,302	109,318	-	761,079	1,282,499
2,143	19,388	1,418	124,417	-	862,264	1,373,622

Jasper County

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

For the Last Ten Years

	2022	2021	2020	2019
Revenues:				
Property and other county tax	\$ 16,014,273	16,143,458	15,619,491	14,485,365
Tax increment financing	443,436	533,375	543,318	606,351
Local option sales and services tax	2,056,959	1,988,005	1,574,586	1,444,268
Interest and penalty on property tax	80,342	167,124	35,895	103,409
Intergovernmental	10,527,089	10,012,189	9,226,423	8,695,232
Licenses and permits	259,360	251,523	255,736	190,560
Charges for service	1,499,063	1,442,574	1,260,023	1,322,241
Use of money and property	263,659	251,599	340,293	336,780
Miscellaneous	788,502	893,706	1,228,098	736,963
Total	\$ 31,932,683	31,683,553	30,083,863	27,921,169
Expenditures:				
Operating:				
Public safety and legal services	\$ 8,296,833	7,382,831	7,604,428	6,963,237
Physical health and social services	1,971,353	1,653,473	1,932,536	1,920,389
Mental health	862,874	970,341	1,327,774	657,061
County environment and education	1,714,510	2,003,849	1,623,357	1,555,204
Roads and transportation	7,733,139	8,789,147	7,879,945	10,780,033
Governmental services to residents	1,491,076	1,328,241	1,313,016	1,268,255
Administration	3,394,890	3,915,464	3,332,667	3,131,813
Non-program	47,467	315,908	270,516	129,698
Debt service	1,483,021	1,539,759	1,390,213	1,591,593
Capital projects	7,127,214	458,448	1,686,356	1,160,242
Total	\$ 34,122,377	28,357,461	28,360,808	29,157,525

See accompanying independent auditor's report.

2018	2017	2016	2015	2014	2013
14,050,570	13,658,014	13,027,674	12,725,632	12,476,599	12,562,086
627,502	690,166	926,595	1,023,421	1,046,732	1,045,731
1,385,206	1,504,695	1,381,665	1,323,595	1,291,837	1,257,023
88,742	87,524	96,676	91,437	103,701	118,511
8,132,345	8,820,774	8,637,330	7,255,314	6,273,322	6,756,315
174,854	197,905	122,709	102,606	115,039	96,379
1,324,020	1,181,791	1,088,179	959,536	978,744	1,028,561
221,493	170,671	139,867	227,081	226,008	181,483
816,624	1,173,665	624,019	618,609	521,057	644,364
26,821,356	27,485,205	26,044,714	24,327,231	23,033,039	23,690,453
7,001,242	5,984,572	5,878,181	5,678,863	5,223,925	4,898,752
1,933,523	1,793,766	1,679,516	1,828,490	1,817,665	1,871,986
756,136	931,970	1,025,846	3,278,357	1,040,216	941,390
1,451,139	1,454,334	1,410,311	1,369,270	1,375,502	1,830,482
10,779,984	7,274,732	7,442,248	6,412,667	5,713,570	6,602,333
1,212,296	1,399,588	1,487,312	1,074,056	962,079	915,088
3,314,486	2,697,668	2,668,452	2,870,280	2,927,232	2,950,132
203,000	720,572	85,392	6,564	42,394	9,346
1,854,229	1,714,585	1,643,933	1,959,181	3,772,649	1,915,330
799,873	1,540,723	670,308	1,615,469	1,202,624	1,015,233
29,305,908	25,512,510	23,991,499	26,093,197	24,077,856	22,950,072

Schedule 6

Jasper County

Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

Grantor/Program	Assistance Listing Number	Pass-through Entity Identifying Number	Program Expenditures
U.S. Department of Agriculture:			
Passed through Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	00002129991	\$ 49,750
Total U.S. Department of Agriculture			<u>49,750</u>
U.S. Department of Housing and Urban Development			
Public and Indian Housing	14.850		673
Total U.S. Department of Housing and Urban Development			<u>673</u>
U.S. Department of the Interior			
Payment in Lieu of Taxes	15.226		247
Fish and Wildlife Management Assistance	15.608		12,710
Total U.S. Department of the Interior			<u>12,957</u>
U.S. Department of Justice			
Bulletproof Vest Partnership Program	16.607		700
Total U.S. Department of the Justice			<u>700</u>
U.S. Department of Transportation:			
Passed through Iowa Department of Transportation:			
Highway Planning & Construction Cluster:			
Recreational Trails Program	20.219	NRT-(C050)(123)--9G-50	290,316
Federal Lands Access Program	20.224	FLAP-CO50(1119)--7L-50	1,100,000
Total U.S. Department of the Transportation			<u>1,390,316</u>
Passed through Iowa Department of Public Safety:			
State and Community Highway Safety	20.600	21-402-M0AL, Task 07-00-00	1,862
State and Community Highway Safety	20.600	22-402-M0PT, Task 37-00-00	5,947
			<u>7,809</u>
National Priority Safety Programs	20.616	21-405d-F24*SE, Task 02-00-00	1,603
National Priority Safety Programs	20.616	22-405d-M6OT, Task 00-37-00	2,288
			<u>3,891</u>
Total U.S. Department of Transportation			<u>1,402,016</u>
U.S. Department of the Treasury			
Passed through Iowa Department of Revenue			
COVID-19, Coronavirus Relief Fund	21.019		181,464
Total U.S. Department of the Treasury			<u>181,464</u>
U.S. Department of Health and Human Services:			
Passed through Aging Resources of Central Iowa:			
Aging Cluster:			
Special Programs for the Aging, Title III,			
Part C, Nutrition Services	93.045	Title III/ES: Nutrition	116,655
COVID-19, Special Programs for the Aging, Title III,			
Part C, Nutrition Services	93.045	Title III/ES: Nutrition	19,785
			<u>136,440</u>
Nutrition Services Incentive Program	93.053	Title III/ES: Nutrition	61,957
			<u>198,397</u>

Jasper County
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2022

Grantor/Program	Assistance Listing Number	Pass-through Entity Identifying Number	Program Expenditures
Passed through Iowa Department of Public Health:			
Public Health Emergency Preparedness	93.069	5881BT08E	63,836
Immunization Cooperative Agreements	93.268	5881I447E	8,580
COVID-19, Immunization Cooperative Agreements	93.268	5885BT450	149,627
			<u>158,207</u>
COVID-19, Epidemiology and Laboratory Capacity for Infections Diseases (ELC)	93.323	5885BT450	183,772
Passed through Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Title IV-E Prevention Program	93.472	00002129991	1,758
Refugee and Entrant Assistance State/ Replacement Designee Administered Programs	93.566	00002129991	59
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	00002129991	12,971
Foster Care Title IV-E	93.658	00002129991	13,260
Adoption Assistance	93.659	00002129991	7,255
Social Services Block Grant	93.667	00002129991	13,539
Children's Health Insurance Program	93.767	00002129991	1,025
Medicaid Cluster:			
Medical Assistance Program	93.778	00002129991	58,644
Total U.S. Department of Health and Human Services			<u>712,723</u>
U.S. Department of Homeland Security:			
Iowa Homeland Security and Emergency Management			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA 4557 DRIA	29,682
Total U.S. Department of Homeland Security			<u>29,682</u>
Total			<u>\$ 2,389,965</u>

Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Jasper County under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Jasper County, it is not intended to and does not present the financial position, changes in financial position or cash flows of Jasper County.

Summary of Significant Accounting Policies – Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate – Jasper County has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

See accompanying independent auditor's report.



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

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

To the Officials of Jasper County:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Jasper County, Iowa, as of and for the year ended June 30, 2022, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 2, 2023.

Report on 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 (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 were not identified. However, as described in Part II of the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that 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 that a material misstatement of the Jasper County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in Part II of the accompanying Schedule of Findings and Questioned Costs as items 2022-001 and 2022-002 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in Part II of the accompanying Schedule of Findings and Questioned Costs as items 2022-003 and 2022-004 to be significant deficiencies.

Report on Compliance and Other Matters

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2022 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.

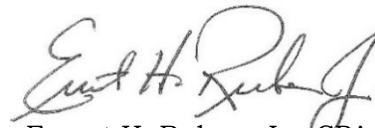
Jasper County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Jasper County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Jasper County's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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

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



Ernest H. Ruben, Jr., CPA
Deputy Auditor of State

June 2, 2023

Jasper County



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Independent Auditor's Report on Compliance
for Each Major Federal Program and on Internal Control over Compliance
Required by the Uniform Guidance

To the Officials of Jasper County:

Report on Compliance for Each Major Federal Program

Opinion on each Major Federal Program

We have audited Jasper County, Iowa's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on Jasper County's major federal program for the year ended June 30, 2022. Jasper County's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Jasper County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Jasper County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Jasper County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Jasper County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Jasper County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence judgement made by a reasonable user of the report on compliance about Jasper County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Jasper County's compliance with the compliance requirements referred to above and performing other such procedures as we considered necessary in the circumstances.
- Obtain an understanding of Jasper County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Jasper County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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



Ernest H. Ruben, Jr., CPA
Deputy Auditor of State

June 2, 2023

Jasper County
Schedule of Findings and Questioned Costs
Year ended June 30, 2022

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

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- (b) Significant deficiencies and material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over major programs were noted.
- (e) An unmodified opinion was issued on compliance with requirements applicable to the major programs.
- (f) The audit disclosed no audit findings which are required to be reported in accordance with the Uniform Guidance, Section 200.516.
- (g) The major program was Highway Planning and Construction Cluster program, consisting of the following:
 - Assistance Listing Number 20.219 – Recreational Trails Program.
 - Assistance Listing Number 20.224 – Federal Lands Access Program.
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Jasper County did not qualify as a low-risk auditee.

Jasper County

Schedule of Findings and Questioned Costs

Year ended June 30, 2022

Part II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

2022-001 Segregation of Duties

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

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

	Applicable Offices
(1) All incoming mail is opened by an employee who is also authorized to make entries to the accounting records.	Treasurer, Sheriff (Civil), Recorder, Conservation, General Assistance and Elderly Nutrition
(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, General Assistance, Health, Community Development, 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 (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 and Questioned Costs

Year ended June 30, 2022

- | | |
|---|----------------------|
| (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 –

Civil – 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.

Once a deposit is made, we cannot make changes to, delete, or void the receipt in our ShieldWare (SW) receipt management system (RMS). If there is an error on an existing deposited receipt, we must contact ShieldWare Support Staff and they will fix any errors we have. SW is very restrictive, and everything must balance.

Jasper County

Schedule of Findings and Questioned Costs

Year ended June 30, 2022

On the rare occasion we might need to delete a SW receipt prior to deposit, possibly due to a payment applied to the wrong docket number or an amount entered incorrectly, the new/corrected receipt should reference the deleted receipt. We cannot run a report, but will start printing any receipts prior to deleting, state the reason, have management sign off, put with the corresponding 2-part carbon paper receipt, and add to our receipt report.

Our handwritten 2-part carbon paper receipts coincide with the RMS receipts. We enter each voided 2-part carbon paper receipt on a log sheet. We will have a monthly report signed by the Sheriff on any 2-part carbon paper receipts that are voided and any SW receipts that are deleted.

Jail – All jail staff have the ability to log in inmate mail. If a money order is received for an inmate in the mail, the receiving jailer will write a receipt for the money order and get the inmate to sign the money order for deposit. There are only four staff members that have the ability to deposit money into the Keefe Commissary System. These four staff plus one additional staff member are the only ones who have the ability to cut checks out of the Keefe Commissary System. None of these five people can sign checks. Only the Sheriff, Chief Deputy, a Lieutenant and the Civil Office Supervisor can sign Keefe Commissary checks. An employee in the front office, does all our deposits for the Keefe Commissary System and does the bank statement reconciliation. Sheriff John Halferty reviews all the monthly bank reconciliations and signs off on them that he has reviewed them.

Recorder – I will continue to work towards making the recommended changes concerning segregation of duties in the office. It is not easy in a small office.

Engineer – One person opens and logs incoming receipts, and another person processes them for delivery to the Treasurer's office. In order to segregate these duties further, we will have the Assistant to the Engineer review the reconciled receivables at the end of each month as well as review the revenue report to ensure all receivables have been coded correctly.

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

Health – We have a small office and divide duties.

Community Development – The Community Development Director will open all mail and log any payments. The office coordinator will match the payment to the corresponding receivable and finish with it being entered into our weekly deposit.

Conservation – Complete segregation of duties is impossible with our small staff size. We do the best we can with our staff size.

Elderly Nutrition – Due to staff limitations it is 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.

Jasper County

Schedule of Findings and Questioned Costs

Year ended June 30, 2022

Emergency Management – The situation remains the same as previous years. The office only has two employees; therefore the segregation of duties requirement is difficult.

911 – With the limited staff in the 911 Center, we will continue to look for ways to improve and 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.

2022-002 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 accounts receivables and accounts payables 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 accounts receivable and accounts payable are properly identified and reported in the County's financial statements.

Responses –

Auditor – We will review the accounts receivable and payable to see where the deficiency is in our reporting. We will look at implementing a policy to address it.

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

Conclusion – Responses accepted.

Jasper County

Schedule of Findings and Questioned Costs

Year ended June 30, 2022

2022-003 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 sends two employees when taking scrap metal in for disposal. We only accept a check as payment which is returned to the Engineer's Office. The Assistant to the Engineer will verify and initial the receipt. It will then be processed by the Office/Finance Manager to be forwarded to the Jasper County Treasurer's Office for deposit.

Conclusion – Response accepted.

2022-004 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.

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.

Jasper County

Schedule of Findings and Questioned Costs

Year ended June 30, 2022

Response – We attempt to request exact amounts whenever possible that would reduce our need to make change. We also take credit cards and checks for a majority of our payments which limits the amount of change needed to be made.

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 and Questioned Costs

Year ended June 30, 2022

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCE OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No material weakness in internal control over the major programs were noted.

Jasper County

Schedule of Findings and Questioned Costs

Year ended June 30, 2022

Part IV: Other Findings Related to Required Statutory Reporting:

2022-A Certified Budget – Disbursements during the year ended June 30, 2022 exceeded the amount budgeted in the debt service function prior to the June 13, 2022 budget amendment and in the mental health, non-program and debt service functions at year end. In addition, disbursements in certain departments exceeded the amounts appropriated at year end and 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 authorizes the Board of Supervisors, by resolution, to increase or decrease appropriations of one office or department by increasing or decreasing the appropriation of another office or department as long as the function budget is not increased. Such increases or decreases should be made before disbursements are allowed to exceed the appropriation.

Response – Budget amendments will be done prior to disbursements from funds.

Conclusion – Response accepted.

2022-B Questionable Expenditures – In accordance with Article III, Section 31 of the Iowa Constitution and an Attorney General’s opinion dated April 25, 1979, public funds may only be spent for public benefit. Certain expenditures were noted which we believe may not meet the requirements of public purpose as defined in the Attorney General’s opinion since the public benefits to be derived have not been clearly documented.

The Jasper County Sheriff purchased refreshments totaling \$255 and awards, including gift cards, binoculars and a knife, totaling \$2,477 for the Jasper County Emergency Services Banquet. The public purpose for these transactions was not clearly documented. In addition, two of these transactions totaling \$356 did not have proper supporting documentation.

The Conservation department purchased gift cards for an auction fundraiser. Five gift cards totaling \$113 did not have proper supporting documentation.

According to the opinion, it is possible for certain expenditures to meet the test of serving a public purpose under certain circumstances, although such items will be subject to a deserved close scrutiny. The line to be drawn between a proper and improper purpose is very thin.

Recommendation – The Board of Supervisors should determine and document the public purpose served by these types of expenditures prior to authorizing any further payments. If this practice is continued, the county should establish written policies and procedures, including requirements for proper public purpose documentation.

Response – The County Auditor's Office will do a better job of asking for proper documentation for these items. Most of these items are purchased with donation money from the public to help with the Banquet proceeds at that time.

Conclusion – Response accepted.

Jasper County

Schedule of Findings and Questioned Costs

Year ended June 30, 2022

2022-C Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

2022-D Business Transactions – Business transactions between the County and County officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Doug Cupples, Board of Supervisors, Owner of DC Sports, Inc	Maintenance apparel/ printing on uniforms	\$ 1,996

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.

2022-E Restricted Donor Activity – No transactions were noted between the County, County officials or County employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

2022-F 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.

2022-G Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not. However, the Board went into closed sessions on July 27, 2021, September 30, 2021 and March 15, 2022 to discuss matters relating to the County. The minutes record did not include the reason for 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.

Recommendation – The Board of Supervisors should ensure all closed meetings comply with Chapter 21 of the Code of Iowa.

Response – The County Auditor will ensure all closed meetings comply with Chapter 21 of the Code of Iowa. The closed session will be spelled out in the minutes along with the Code of Iowa section.

Conclusion – Response accepted.

2022-H 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.

2022-I Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

Jasper County

Schedule of Findings and Questioned Costs

Year ended June 30, 2022

2022-J 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 – We will ensure the amounts reported in the Levy Authority Summary agree with the County’s records.

Conclusion – Response accepted.

2022-K Noncurrent Advance To/From Other Funds – On May 3, 2022, the Board of Supervisors approved an advance from the General Fund to the Rural Services Fund. On June 21, 2022, the Board of Supervisors approved an advance from the General Fund to the Capital Projects Fund. Neither advance was returned to the General Fund by June 30, 2022 and the County did not publish notices of or hold public hearings prior to authorizing the advances as noncurrent debt as required by Chapters 331.478 and 331.479 of the Code of Iowa.

Recommendation – The County should comply with Chapters 331.478 and 331.479 of the Code of Iowa when entering into future noncurrent debt obligations.

Response – In the future, the County will follow Chapters 331.478 and 331.479 of the Code of Iowa when authorizing advances as noncurrent debt.

Conclusion – Response accepted.

2022-L Financial Condition – At June 30, 2022, the Special Revenue, Rural Services Fund and Capital Projects Funds had deficit unassigned fund balances of \$76,671 and \$401,878, respectively.

Recommendation – The County should investigate alternatives to eliminate these deficits and return the funds to a sound financial position.

Response – The County will monitor and look for other ways to eliminate deficits in these funds.

Conclusion – Response accepted.

2022-M Sheriff Unclaimed Property – Chapter 556.11 of the Code of Iowa requires checks outstanding for more than two years at June 30 be reported and remitted to the Office of Treasurer of State. The County Sheriff did not report and remit these obligations as required.

Recommendation – Outstanding checks should be reviewed annually and items over two years should be reported and remitted to the Office of Treasurer of State as required.

Jasper County

Schedule of Findings and Questioned Costs

Year ended June 30, 2022

Response – This is not a government account. All money in the Keefe Account is inmate money. We do not get government rates on this account, and we do pay normal account fees. The checks that are more than two years old will be voided and the money credited back to the individual accounts. Where possible, the inmate will be contacted regarding a new check being sent out to them. Any inmates that cannot be contacted, that have money on their account for more than two years, will be sent to the State Treasurer's Office to go on the Treasure Hunt website. Checks on this account state, clearly on the front, that they are void after 90 days. It is safe to assume that any checks more than two years old are lost and not going to be cashed. By voiding the checks and putting the money back in to the individual inmate accounts this will clean up outstanding checks.

Conclusion – Response acknowledged. Outstanding checks should be reviewed annually and items over two years should be reported and remitted to the Office of Treasurer of State as required.

Jasper County

Staff

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