



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

NEWS RELEASE

Contact: Brian Brustkern
515/281-5834

FOR RELEASE

September 5, 2024

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

FINANCIAL HIGHLIGHTS:

The County's revenues totaled \$20,299,375 for the year ended June 30, 2023, a 7.7% increase over the prior year. Expenses for County operations for the year ended June 30, 2023 totaled \$19,653,115, a 16.1% increase over the prior year. The increase in revenue is primarily due to an increase in American Rescue Plan Act revenues and an increase in property and other county tax. The increase in expenditures is primarily due to secondary roads maintenance and the purchase of a 911 dispatch communication system.

AUDIT FINDINGS:

Sand reported four findings related to the receipt and expenditure of taxpayer funds. They are found on pages 78 through 82 of this report. The findings address a lack of segregation of duties, errors in reporting amounts due the County and exceeding budget appropriations by department. Sand provided the County with recommendations to address the findings.

Two findings discussed above were repeated from the prior year. The County Board of Supervisors and other elected 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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JONES COUNTY
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS
JUNE 30, 2023

Jones County



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Rob Sand
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State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

August 15, 2024

Officials of Jones County
Anamosa, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for Jones County for the year ended June 30, 2023. 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 Jones County throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand", written in a cursive style.

Rob Sand
Auditor of State

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Jones County

Officials

(Before January 2023)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Ned Rohwedder	Board of Supervisors	Jan 2023
Jon C. Zirkelbach	Board of Supervisors	Jan 2023
Joe Oswald	Board of Supervisors	Jan 2025
John Shlarmann	Board of Supervisors	Jan 2025
Jeff Swisher	Board of Supervisors	Jan 2025
Whitney Hein	County Auditor	Jan 2025
Amy L. Picray	County Treasurer	Jan 2023
Sheri L. Jones	County Recorder	Jan 2023
Greg A. Graver	County Sheriff	Jan 2025
Kristofer Lyons	County Attorney	Jan 2023
Sarah Benter	County Assessor	Jan 2028

(After January 2023)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Joe Oswald	Board of Supervisors	Jan 2025
John Shlarmann	Board of Supervisors	Jan 2025
Jeff Swisher	Board of Supervisors	Jan 2025
Ned Rohwedder	Board of Supervisors	Jan 2027
Jon C. Zirkelbach	Board of Supervisors	Jan 2027
Whitney Hein	County Auditor	Jan 2025
Amy L. Picray	County Treasurer	Jan 2027
Sheri L. Jones	County Recorder	Jan 2027
Greg A. Graver	County Sheriff	Jan 2025
Kristofer Lyons	County Attorney	Jan 2027
Sarah Benter	County Assessor	Jan 2028

Jones County



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Independent Auditor's Report

To the Officials of Jones 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 Jones County, Iowa, as of and for the year ended June 30, 2023, 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 Jones County as of June 30, 2023 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Jones 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.

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 Jones 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 judgment 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 judgment 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 Jones 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Jones 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, 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 16 and 52 through 64 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 GAAS, 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 Jones 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, 2022 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 5, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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 GAAS. In our opinion, the supplementary information in Schedules 1 through 5 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 August 15, 2024 on our consideration of Jones 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 Jones County’s internal control over financial reporting and compliance.



Brian R. Brustkern, CPA
Deputy Auditor of State

August 15, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Jones 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, 2023. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2023 FINANCIAL HIGHLIGHTS

- Revenues of the County's governmental activities increased 7.7%, or approximately \$1,450,000, during fiscal year 2023. The County received \$808,000 of federal grants for the American Rescue Plan Act (ARPA). Property tax revenues increased approximately \$513,000, Unrestricted investment earnings increased \$336,800 and operating grants, contributions and restricted interest decreased approximately \$411,000.
- Program expenses of the County's governmental activities increased 16.1%, or approximately \$2,731,000, from fiscal year 2022 to fiscal year 2023. Roads and transportation increased approximately \$2,240,000 and public safety and legal services increased approximately \$820,000.

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 Jones 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 Jones 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 Jones 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 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.

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, county environment and education, roads and transportation, governmental services to residents, administration and non-program activities. Property tax and state and federal grants finance most of these activities.

Fund Financial Statements

The County has two kinds of funds:

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

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

- 2) Fiduciary funds are used to report assets held in a trust or custodial capacity for others which cannot be used to support the County's own programs. These fiduciary funds include Custodial Funds which account for Emergency Management, 911 and the County Assessor, to name a few.

The required financial statement for fiduciary funds is 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		
	June 30,	
	2023	2022
Current and other assets	\$ 26,295,267	27,926,913
Capital assets	43,676,536	43,351,653
Total assets	<u>69,971,803</u>	<u>71,278,566</u>
Deferred outflows of resources	1,037,811	983,922
Long-term liabilities	2,729,422	722,816
Other liabilities	4,232,651	5,702,529
Total liabilities	<u>6,962,073</u>	<u>6,425,345</u>
Deferred inflows of resources	10,898,623	13,334,485
Net position:		
Net investment in capital assets	43,676,536	43,351,653
Restricted	7,848,264	8,097,325
Unrestricted	1,624,118	1,053,680
Total net position	<u>\$ 53,148,918</u>	<u>52,502,658</u>

Jones County’s combined net position of governmental activities increased 1.23% (approximately \$53.1 million compared to approximately \$52.5 million).

The largest portion of the County’s net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment). This net position category increased less than 1%, or approximately \$325,000 over the prior year.

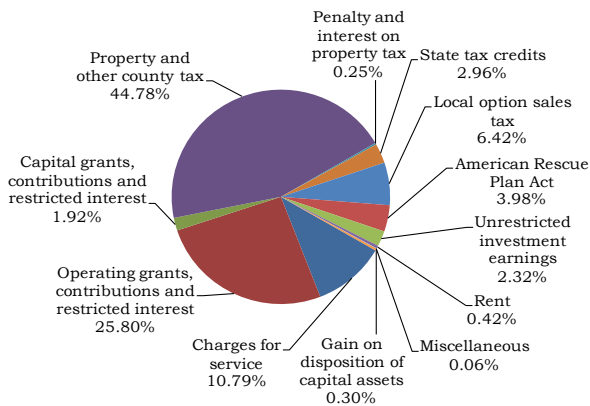
Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position category decreased approximately \$249,000, or 3.0% from the prior year.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased from approximately \$1,054,000 at June 30, 2022 to a balance of approximately \$1,624,000 at the end of this year, an increase of 54.1%. This increase is primarily due to an increase in the general fund.

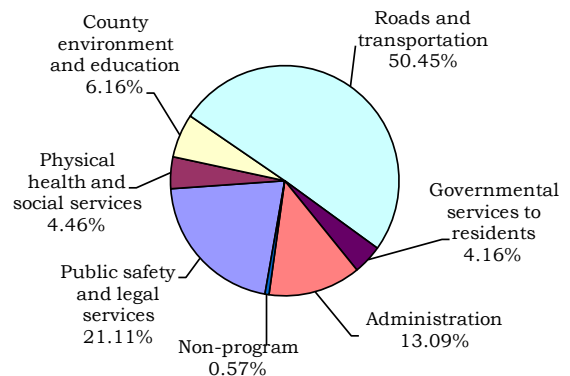
Changes in Net Position of Governmental Activities

	Year ended June 30,	
	2023	2022
Revenues:		
Program revenues:		
Charges for service	\$ 2,190,070	1,925,774
Operating grants, contributions and restricted interest	5,237,369	5,647,907
Capital grants, contributions and restricted interest	389,147	243,172
General revenues:		
Property and other county tax	9,088,438	8,575,770
Penalty and interest on property tax	51,530	49,605
State tax credits	599,897	586,617
Local option sales tax	1,303,432	1,488,367
American Rescue Plan Act	808,382	-
Unrestricted investment earnings	471,485	134,713
Rent	85,817	85,184
Gain on disposition of capital assets	61,760	96,831
Miscellaneous	12,048	15,465
Total revenues	20,299,375	18,849,405
Program expenses:		
Public safety and legal services	4,148,959	3,329,371
Physical health and social services	875,672	803,845
Mental health	-	840,368
County environment and education	1,211,117	1,212,395
Roads and transportation	9,915,719	7,675,421
Governmental services to residents	817,489	776,788
Administration	2,572,101	2,099,658
Non-program	112,058	184,319
Total expenses	19,653,115	16,922,165
Change in net position	646,260	1,927,240
Net position beginning of year	52,502,658	50,575,418
Net position end of year	\$ 53,148,918	52,502,658

Revenues by Source



Expenses by Program



Jones County's governmental activities net position increased approximately \$646,000 during the year. Revenues for governmental activities increased approximately \$1,450,000. The increase is primarily due to an increase in American Rescue Plan Act revenues of about \$808,000 and an increase in property and other county tax of \$513,000. Expenses increased approximately \$2,731,000. The increase is primarily due to the purchase of a 911 dispatch communication system and an increase in secondary roads maintenance.

The County increased property tax rates for fiscal year 2023 an average of 2.6%. The County's property tax revenue increased approximately \$513,000 in fiscal year 2023 as a result of increasing the County wide levy rate. Based on increases in the total assessed valuation, property tax revenue is budgeted to increase an additional \$1,175,000 next year.

The cost of all governmental activities this year was approximately \$19.7 million compared to approximately \$16.9 million last year. However, as shown in the Statement of Activities on page 21, the amount taxpayers ultimately financed for these activities was approximately \$11.8 million because some of the cost was paid by those who directly benefited from the programs (approximately \$2.2 million) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately \$5.6 million). Overall, the County's governmental program revenues, including intergovernmental aid and charges for service, remained stable at approximately \$7,817,000.

INDIVIDUAL MAJOR FUND ANALYSIS

As Jones County completed the year, its governmental funds reported a combined fund balance of approximately \$11.3 million, a decrease of approximately \$300,000 from last year's total of approximately \$11.6 million. The following are the primary reasons for the changes in fund balances of the major funds from the prior year.

The General Fund, the operating fund for Jones County, ended fiscal year 2023 with a fund balance of \$5,183,082. This is a decrease of \$2,304 from June 30, 2022. Revenues increased by about \$2,301,000, or 24.8% over fiscal year 2022 including an increase in American Rescue Plan Act, property and other county tax of about \$598,000 and use of money and property of about \$334,000 due to higher interest rates. Expenditures increased by about \$1,404,000 or 14.7%. The most significant expenditure changes were due to salary increases, use of American Rescue Plan Act proceeds for secondary roads maintenance and the purchase of 911 equipment.

The Special Revenue, Rural Services Fund ended fiscal year 2023 with a balance of \$589,395, or \$137,138 more than the June 30, 2022 balance of \$452,257. Property and other county tax increased \$319,964, or 14.6%, due to an increase in taxable valuation and an increase in the levy rate. The transfer to the Secondary Roads Fund to support road maintenance and road projects increased from \$2,379,000 to \$2,600,000.

The Special Revenue, Secondary Roads Fund ended fiscal year 2023 with a balance of \$4,977,678, a decrease of \$496,158 from the June 30, 2022 balance of \$5,473,836. Of the ending balance, \$1,835,700 is unspent local option sales tax for future road and bridge projects, per voter approval in 1999, and \$397,572 is the value of materials held in inventory and prepaid expenditures at June 30, 2023. The restricted fund balance within the Secondary Roads Fund reflects a positive balance of \$4,580,106 on a GAAP basis, 7.9% lower than the June 30, 2022 balance of \$4,974,932. Expenditures increased \$1,228,268, or 15.0%. The County decreased its spending for its locally funded road construction activities in fiscal year 2023 by 55.0% (\$513,061 compared to \$1,139,343 in fiscal year 2022), primarily due to construction schedules. Revenues for the Secondary Roads Fund for fiscal year 2023 reflect a decrease from fiscal year 2022 of \$21,805. In fiscal year 2023, a transfer was made from the Special Revenue, Rural Services Fund in the amount of \$2,600,000, and a transfer was made from the General Fund in the amount of \$605,000, bringing the total funds transferred to the Secondary Roads Fund to \$3,205,000.

The Capital Projects Fund ended fiscal year 2023 with a fund balance of \$275,224. The balance represented funds reserved for various projects not yet completed. Capital projects expenditures incurred in the year were funded by permanent and temporary transfers from other funds into the Capital Projects Fund.

Nearly all of the County's conservation recreational area improvements and property acquisitions were reimbursed with grants and donations.

BUDGETARY HIGHLIGHTS

Over the course of fiscal year 2023, Jones County amended its budget four times.

The first amendment was made on November 22, 2022 primarily to increase expenditures for County Environment and Education. This amendment was needed to accommodate for various Conservation projects including rehab of the Fremont Bridge located at Central Park.

The second amendment was made on December 13, 2022 primarily to increase expenditures for County Environment and Education as well as increase receipts for intergovernmental functions.

The increase in intergovernmental receipts and County Environment and Education disbursements, adopted in the December amendment was \$273,900. This increase was primarily due to a state grant that was received and used for Conservation's purchase of an additional 158.68 acres of land for the Hale Wildlife Area.

The third amendment was made on April 4, 2023 and resulted in changes to budgeted amounts in almost every receipt category except penalties, interest & costs on taxes and for every disbursement account except for debt service. The expenditures budget amendment was primarily due to an increase in spending authority for the ARPA to accommodate the purchase of contract rock, in the increase in budgeted wages due to an abnormal calendar year having 27 payroll checks instead of the normal 26, the addition of a deputy sheriff position, the commitment to do a jail needs assessment, and higher property and liability insurance premiums than what was expected.

The net total decrease in receipts, excluding other financing sources, adopted in the April amendment was \$2,053,516. Of significance was a decrease of \$1,978,596 in intergovernmental revenues, primarily due to the second half of the ARPA funding being received prior to FY23 so the budgeted receipts amount of \$2,008,521 was decreased to \$0.

The final amendment was made on May 30, 2023 and resulted in changes to miscellaneous receipts and Roads and Transportation disbursements. The increase to miscellaneous receipts was additional receipts of \$400,000 to Secondary Roads from the ARPA fund. The \$400,000 of ARPA receipts were spent on purchasing rock to cover county roads. The increase in Roads and Transportation disbursements of \$1,000,000 was for Secondary Roads to put extra rock on the roads after a very wet and awful thawing cycle coming out of winter.

The following should be noted when comparing the County's cash basis final amended budget to the cash basis operating statement:

The County's actual receipts were \$505,383 more than the final amended budget, a variance of 2.6%. The May 2023 amendment allowed the County to minimize significant variances in budgeted to actual revenues.

Total disbursements were \$2,029,301 less than the final amended budget, an 8.6% variance. Actual disbursements for the public safety and legal services, roads and transportation and governmental services to residents were all within 10% of the final amended budget. Disbursements for the physical health and social services function were \$241,450, or 20.7%, below budget, primarily due to the public health director budgeting \$135,000 for a preparedness emergency grant but only spending \$10,963 due to not receiving as many grant funds as initially planned. Disbursements for the county environment and education function were \$370,808, or 14.2%, below budget, primarily due to fewer capital asset purchases than initially budgeted and spending less on engineering costs than initially budgeted. Disbursements for the administration function were \$393,305, or 10.4%, below budget primarily due to not expending as many ARPA funds as anticipated due to the delay in committing to future ARPA projects, due to GIS not moving forward with a new software purchase, and due to not completing the jail needs assessment during the fiscal year. Disbursements in the non-program function were \$95,479, or 42.8% below budget, primarily due to not expending as much of the Federal Comprehensive Opioid Abuse Program grant as anticipated. Disbursements in the capital project function were \$201,180, or 21.2%, below budget, primarily due to right of way purchases being lower than anticipated and due to no funds being expended from the capital project fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, Jones County had \$43,676,536 invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This is a net increase (including additions and deletions) of \$324,883, or 0.75%, over last year, primarily due to an increase in land and buildings in fiscal year 2023.

Capital Assets of Governmental Activities at Year End		
	June 30,	
	2023	2022
Land	\$ 6,485,274	6,191,374
Intangibles, road network	1,056,149	1,056,149
Construction/intangibles in progress	896,575	899,225
Buildings	2,666,637	2,493,525
Improvements other than buildings	60,331	72,398
Equipment and vehicles	5,104,082	5,152,372
Intangibles, other	60,000	61,860
Infrastructure	27,347,488	27,424,750
Total	<u>\$ 43,676,536</u>	<u>43,351,653</u>
This year's major additions included:		
Construction in Progress	\$	387,345
John Deere Motor Grader 7722G		367,400
Temple Hill Main Shop		311,401
Hale Wildlife Area West Addition (159 Acres)		293,900
Mac GR64P Truck		245,424
Ebys Mill Water Access		239,407
Total	<u>\$</u>	<u>1,844,877</u>

The County had depreciation/amortization expense of \$1,853,261 in fiscal year 2023 and total accumulated depreciation/amortization of \$19,381,994 at June 30, 2023.

More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Jones County's elected and appointed officials considered many factors when setting the fiscal year 2024 budget, tax rates, and the fees charged for various County activities. The primary factors considered were the increase in taxable valuations, funds needed to maintain existing programs and services, and adding a full time Court Security Officer position.

Jones County's total taxable valuation for the fiscal year 2024 budget increased modestly at less than 1%. By class of property, the County's agricultural valuation increased 2.78%, residential valuation rose 2.34%, commercial valuation reflects a 17.39% decrease and industrial valuation reflects a 6.95% decrease. The large decrease in commercial and industrial values is due to new state legislation which ended the Business Property Tax Credit program and created a new Tier value system which increased rollback on the first \$150,000 of valuation on these classes of property. Jones County's agricultural land values continue to comprise 32% of Jones County's taxable valuation, while residential values continue to comprise 43% of the total.

The fiscal year 2024 General Fund budget reflects a tax increase of \$620,965 and is projected to produce an unrestricted fund balance on June 30, 2024 of 19.25% of total general operating disbursements (total General Fund balance of 21.75% of total disbursements). The tax increase of \$620,965 was generated by increasing General Basic levy rate by .50000/1,000 and keeping the General Supplemental tax levy rate the same when compared to fiscal year 2023, to the increased valuation. The total General Fund fiscal year 2024 budgeted disbursements (including transfers out) are \$803,306 less than the original 2023 fiscal year budget. The General Fund fiscal year 2024 budget reflects a 2.92% increase in employee wages and benefits, primarily due to normal wage increases with overall disbursements projected to decrease by 6.15%, primarily due to a decrease in planned Conservation Department projects funded with non-tax revenues. The collective bargaining agreement covering wages to be paid in fiscal year 2024 calls for a 4.75% wage increase for employees in the bargaining unit except for Deputy Sheriffs in which the agreement calls for a 6% increase. A variety of wage increase rates were granted to non-union employees. The Board did not reduce the salary increases recommended by the Compensation Board for the elected Attorney, Auditor, Recorder, Sheriff, Treasurer, and by 33.33% for their own salaries. Budgeted non-tax General Fund receipts are projected to decrease by 48.41% (\$2,721,200) in the fiscal 2024 budget. This is primarily due to the remaining ARPA funds (\$2,008,521) being collected prior to fiscal year 2024.

The fiscal year 2024 Special Revenue, Emergency Medical Services Trust Fund (Iowa Code Chapter 422D) is brand new due to the passing of a .35000/1000 levy rate by the voters of Jones County. The projected tax-based revenue for fiscal year 2024 is \$431,735. The projected fiscal year 2024 expenditures are \$430,000.

The budget for the Special Revenue, Rural Services Fund for fiscal year 2024 reflects a tax increase of \$141,647. The tax increase represents the Board's desire to increase the amount transferred to the Secondary Road fund and to build a carryover to support future expenditures of the Sheriff Department. The tax levy rate did increase by .11652/1,000 when compared for fiscal 2023. The transfer to the Secondary Road Fund increased \$48,000 in the fiscal year 2024 budget to help fund Secondary Road expenditures.

The Special Revenue, Secondary Roads Fund budget for fiscal year 2024 reflects an increase of \$350,000 in road maintenance disbursements to \$8,000,000, and a \$1,100,000 increase in the roadway construction budget from the originally budgeted fiscal year 2023 level of \$1,350,000 up to \$2,450,000 in fiscal year 2024. The County is increasing the amount of funds spent on locally funded construction projects from the budgeted fiscal year 2023 budget, primarily due to a planned increase in construction projects. The County continues to budget to replace outdated and worn equipment and update secondary road facilities. This will result in the projected balance in the fund at the end of the fiscal year to decrease \$2,293,000 from the projected fiscal year beginning fund balance.

Budgeted expenditures continue to outpace projected revenues in the Secondary Road fund. The actual ending fund balance is historically considerably higher than initially projected. Design and construction schedules, as well as a re-evaluation of funding sources and projected fund balances, are always considered prior to proceeding with certain road and bridge projects and equipment purchases.

In fiscal year 2024, the Board of Supervisors did not use the debt service levy.

The overall fiscal year 2024 budget reflects a .85000 cent increase in the countywide levy rate with .35000 of that being the newly added Emergency Medical Services Trust Fund levy and increases the rural levy rate by .11652 cents. The adopted budget generates a 12.44% increase (\$1,194,347) in total tax dollars to be levied to support the County budget.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Jones 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 Jones County Auditor's Office, 500 W. Main Street, Anamosa, Iowa 52205.

Basic Financial Statements

Exhibit A

Jones County
Statement of Net Position
June 30, 2023

	<u>Governmental Activities</u>
Assets	
Cash and pooled investments	\$ 14,373,125
Receivables:	
Property tax:	
Delinquent	18,235
Succeeding year	10,381,000
Interest and penalty on property tax	34,233
Accounts	74,989
Opioid settlement	236,342
Accrued interest	11,280
Special assessments	8,858
Due from other governments	714,802
Lease receivable	44,831
Inventories	394,342
Prepaid expense	3,230
Capital assets not being depreciated	8,445,998
Capital assets, net of accumulated depreciation/amortization	<u>35,230,538</u>
Total assets	<u>69,971,803</u>
Deferred Outflows of Resources	
Pension related deferred outflows	975,561
OPEB related deferred outflows	<u>62,250</u>
Total deferred outflows of resources	<u>1,037,811</u>

Jones County
Statement of Net Position
June 30, 2023

	Governmental Activities
Liabilities	
Accounts payable	695,314
Salaries and benefits payable	305,321
Due to other governments	23,356
Unearned revenue	3,208,660
Long-term liabilities:	
Portion due or payable within one year:	
Compensated absences	267,895
Total OPEB liability	18,470
Portion due or payable after one year:	
Compensated absences	302,159
Net pension liability	1,915,448
Total OPEB liability	225,450
Total liabilities	6,962,073
Deferred Inflows of Resources	
Lease receivable	44,831
Unavailable property tax revenue	10,381,000
Pension related deferred inflows	445,774
OPEB related deferred inflows	27,018
Total deferred inflows of resources	10,898,623
Net Position	
Net investment in capital assets	43,676,536
Restricted for:	
Supplemental levy purposes	1,448,134
Rural services purposes	591,088
Secondary roads purposes	4,733,481
Capital projects	397,114
Opioid abatement	301,750
Other purposes	376,697
Unrestricted	1,624,118
Total net position	\$ 53,148,918

See notes to financial statements.

Jones County

Jones County
Statement of Activities
Year ended June 30, 2023

	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	\$ 4,148,959	315,909	34,742	-	(3,798,308)
Physical health and social services	875,672	95,717	410,440	22,344	(347,171)
County environment and education	1,211,117	378,719	21,037	366,803	(444,558)
Roads and transportation	9,915,719	511,530	4,624,292	-	(4,779,897)
Governmental services to residents	817,489	457,111	-	-	(360,378)
Administration	2,572,101	431,084	18,780	-	(2,122,237)
Non-program	112,058	-	128,078	-	16,020
Total	\$ 19,653,115	2,190,070	5,237,369	389,147	(11,836,529)
General Revenues:					
Property and other county tax levied for general purposes					9,088,438
Penalty and interest on property tax					51,530
State tax credits					599,897
Local option sales tax					1,303,432
American Rescue Plan Act					808,382
Unrestricted investment earnings					471,485
Rent					85,817
Gain on disposition of capital assets					61,760
Miscellaneous					12,048
Total general revenues					12,482,789
Change in net position					646,260
Net position beginning of year					52,502,658
Net position end of year					\$ 53,148,918

See notes to financial statements.

Jones County
Balance Sheet
Governmental Funds

June 30, 2023

	Special Revenue		
	General	Rural Services	Secondary Roads
Assets			
Cash and pooled investments	\$ 8,487,046	564,213	4,750,565
Receivables:			
Property tax:			
Delinquent	18,235	-	-
Succeeding year	7,294,000	2,672,000	-
Interest and penalty on property tax	31,916	2,309	-
Accounts	70,244	-	4,745
Opioid settlement	-	-	-
Accrued interest	11,262	-	-
Special assessments	8,858	-	-
Due from other funds	-	-	4,731
Due from other governments	232,609	26,716	455,477
Lease receivable	44,831	-	-
Inventories	-	-	394,342
Prepaid expenditures	-	-	3,230
Total assets	\$ 16,199,001	3,265,238	5,613,090
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 143,365	251	542,283
Salaries and benefits payable	217,965	1,292	86,064
Due to other funds	4,731	-	-
Due to other governments	16,291	-	7,065
Unearned revenue	3,208,660	-	-
Total liabilities	3,591,012	1,543	635,412
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	7,294,000	2,672,000	-
Other	86,076	2,300	-
Lease receivable	44,831	-	-
Total deferred inflows of resources	7,424,907	2,674,300	-
Fund balances:			
Nonspendable:			
Inventories and prepaid expenditures	-	-	397,572
Restricted for:			
Supplemental levy purposes	1,460,286	-	-
Rural services purposes	-	589,395	-
Secondary roads purposes	-	-	4,580,106
Conservation land acquisition/capital improvements	531,348	-	-
Capital projects	-	-	-
Opioid abatement	-	-	-
Other purposes	155,417	-	-
Committed for:			
County facility capital projects/purposes	123,354	-	-
Voting equipment replacement	140,000	-	-
Aerial tax mapping update project	67,319	-	-
GIS projects	9,503	-	-
Conservation improvements	66,955	-	-
Unassigned	2,628,900	-	-
Total fund balances	5,183,082	589,395	4,977,678
Total liabilities, deferred inflows of resources and fund balances	\$ 16,199,001	3,265,238	5,613,090

See notes to financial statements.

Capital Projects	Nonmajor	Total
275,224	296,077	14,373,125
-	-	18,235
-	415,000	10,381,000
-	8	34,233
-	-	74,989
-	236,342	236,342
-	18	11,280
-	-	8,858
-	-	4,731
-	-	714,802
-	-	44,831
-	-	394,342
-	-	3,230
<u>275,224</u>	<u>947,445</u>	<u>26,299,998</u>
-	9,415	695,314
-	-	305,321
-	-	4,731
-	-	23,356
-	-	3,208,660
-	9,415	4,237,382
-	415,000	10,381,000
-	225,951	314,327
-	-	44,831
-	640,951	10,740,158
-	-	397,572
-	-	1,460,286
-	-	589,395
-	-	4,580,106
-	-	531,348
275,224	-	275,224
-	75,799	75,799
-	221,280	376,697
-	-	123,354
-	-	140,000
-	-	67,319
-	-	9,503
-	-	66,955
-	-	2,628,900
<u>275,224</u>	<u>297,079</u>	<u>11,322,458</u>
<u>275,224</u>	<u>947,445</u>	<u>26,299,998</u>

Jones County

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

June 30, 2023

Total governmental fund balances (page 23) \$ 11,322,458

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 reposted in the governmental funds. The cost of assets is \$63,058,530 and the accumulated depreciation/amortization is \$19,381,994. 43,676,536

Other long-term assets are not available to pay current year expenditures and therefore, are recognized as deferred inflows of resources in the governmental funds. 314,327

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	\$ 1,037,811	
Deferred inflows of resources	<u>(472,792)</u>	565,019

Long-term liabilities, including compensated absences payable, net pension liability and total OPEB liability are not due and payable in the current year and, therefore, are not reported in the governmental funds. (2,729,422)

Net position of governmental activities (page 19) \$ 53,148,918

See notes to financial statements.

Jones County

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

Year ended June 30, 2023

	Special Revenue		
	General	Rural Services	Secondary Roads
Revenues:			
Property and other county tax	\$ 6,575,827	2,507,925	-
Local option sales tax	-	325,858	977,574
Interest and penalty on property tax	43,963	-	-
Intergovernmental	3,345,124	143,639	4,517,949
Licenses and permits	62,941	-	26,985
Charges for service	688,589	8,690	-
Use of money and property	568,514	2	-
Miscellaneous	281,351	-	150,250
Total revenues	11,566,309	2,986,114	5,672,758
Expenditures:			
Operating:			
Public safety and legal services	4,353,138	-	-
Physical health and social services	912,146	-	-
County environment and education	1,580,341	240,453	-
Roads and transportation	449,049	-	8,922,615
Governmental services to residents	848,006	8,523	-
Administration	2,674,899	-	-
Non-program	111,002	-	-
Capital projects	-	-	513,061
Total expenditures	10,928,581	248,976	9,435,676
Excess (deficiency) of revenues over (under) expenditures	637,728	2,737,138	(3,762,918)
Other financing sources (uses):			
Sale of capital assets	-	-	61,760
Transfers in	24,968	-	3,205,000
Transfers out	(665,000)	(2,600,000)	-
Total other financing sources (uses)	(640,032)	(2,600,000)	3,266,760
Change in fund balances	(2,304)	137,138	(496,158)
Fund balances beginning of year	5,185,386	452,257	5,473,836
Fund balances end of year	\$ 5,183,082	589,395	4,977,678

See notes to financial statements.

Capital Projects	Nonmajor	Total
-	-	9,083,752
-	-	1,303,432
-	-	43,963
-	11,762	8,018,474
-	-	89,926
-	3,188	700,467
-	687	569,203
-	108,211	539,812
-	123,848	20,349,029
-	15,610	4,368,748
-	-	912,146
-	34,955	1,855,749
-	-	9,371,664
-	3,928	860,457
-	-	2,674,899
-	-	111,002
-	-	513,061
-	54,493	20,667,726
-	69,355	(318,697)
-	-	61,760
60,000	-	3,289,968
-	(24,968)	(3,289,968)
60,000	(24,968)	61,760
60,000	44,387	(256,937)
215,224	252,692	11,579,395
275,224	297,079	11,322,458

Jones County

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

Year ended June 30, 2023

Change in fund balances - Total governmental funds (page 27) \$ (256,937)

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

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

Expenditures for capital assets	\$ 2,116,384	
Depreciation/amortization expense	<u>(1,853,261)</u>	263,123

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. 61,760

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	8,550	
Other	<u>(119,964)</u>	(111,414)

The current year County share of IPERS contributions is reported as expenditures in the governmental funds but is reported as deferred outflows of resources in the Statement of Net Position. 685,817

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	(90,146)	
Pension expense	101,819	
OPEB expense	<u>(7,762)</u>	<u>3,911</u>

Change in net position of governmental activities (page 21) \$ 646,260

See notes to financial statements.

Jones County
Statement of Fiduciary Net Position –
Custodial Funds

June 30, 2023

Assets	
Cash and pooled investments:	
County Treasurer	\$ 3,993,469
Other County officials	2,960
Receivables:	
Property tax:	
Delinquent	24,926
Succeeding year	25,940,000
Accounts	91,053
Accrued interest	8,855
Special assessments	109,367
Due from other governments	<u>61,743</u>
Total assets	<u>30,232,373</u>
Liabilities	
Accounts payable	69,908
Salaries and benefits payable	27,640
Due to other governments	992,103
Trusts payable	2,960
Compensated absences	<u>63,318</u>
Total liabilities	<u>1,155,929</u>
Deferred Inflows of Resources	
Unavailable property tax revenue	<u>25,940,000</u>
Net position	
Restricted for individuals, organizations and other governments	<u>\$ 3,136,444</u>

See notes to financial statements.

Jones County

Jones County

Statement of Changes in Fiduciary Net Position –
Custodial Funds

June 30, 2023

Additions:	
Property and other county tax	\$ 24,592,678
911 surcharge	44,789
State tax credits	1,841,283
Office fees and collections	575,547
Auto licenses, use tax and postage	7,925,241
Trusts	1,522,160
Miscellaneous	<u>1,060,705</u>
Total additions	<u>37,562,403</u>
Deductions:	
Agency remittances:	
To other funds	503,509
To other governments	36,300,909
Trusts paid out	<u>569,119</u>
Total deductions	<u>37,373,537</u>
Change in net position	188,866
Net position beginning of year, as restated	<u>2,947,578</u>
Net position end of year	<u>\$ 3,136,444</u>

See notes to financial statements.

Jones County

Notes to Financial Statements

June 30, 2023

(1) Summary of Significant Accounting Policies

Jones 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, Jones 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 Jones 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 Unit – The following component unit is an entity which is legally separate from the County, but is so intertwined with the County it is, in substance, the same as the County. It is reported as part of the County and blended into the appropriate fund.

The Friends of Jones County Conservation and Nature Center has been incorporated under Chapter 504A of the Code of Iowa to assist and support the functions and efforts of Jones County Conservation by helping to raise funds for designated conservation related projects, providing materials for community involvement, serving as an organizational base for volunteers at the Central Park Nature Center, and advising the Jones County Conservation Board on the needs of the community related to programming and infrastructure. The financial transactions of the Friends are reported as a nonmajor special revenue fund.

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: Jones County Assessor's Conference Board, Jones County Emergency Management Commission, Jones County Solid Waste Commission and Jones 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.

The County also participates in the following jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa: Multi-County Cooperative Child Support Agreement, East Central Iowa Employment and Training Consortium, Medical Emergency Response Group, Eastern Iowa Regional Housing Authority, Eastern Iowa Regional Utility Service Systems Commission, Jones County Crime Commission, Jones County Economic Development Commission, Jones County Communications Commission and East Central Iowa Mental Health Region.

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 unit. 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.

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. Net position restricted through enabling legislation consists of the balance of the unusual needs levy for Conservation Department projects.

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

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

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

The County reports the following major governmental funds:

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

Special Revenue:

The 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 roads construction and maintenance.

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:

Fiduciary Funds – 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 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.

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.

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is 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 it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2021 assessed property valuations; is for the tax accrual period July 1, 2022 through June 30, 2023 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2022.

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.

Opioid Settlement Receivable – The County will receive payments from certain prescription drug companies and pharmaceutical distributors engaged in misleading and fraudulent conduct in the marketing and sale of opioids and failure to monitor for, detect and prevent diversion of the drugs. 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 and recovery services.

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

Due from and Due to Other Funds – During the course of its operations, the County has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2023, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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.

<u>Asset Class</u>	<u>Amount</u>
Infrastructure	\$ 50,000
Land, buildings and improvements	25,000
Intangibles	50,000
Road right of way easements	25,000
Equipment and vehicles	5,000

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, 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	25 - 50
Building improvements	25 - 50
Infrastructure	10 - 65
Intangibles	2 - 65
Equipment	3 - 20
Vehicles	5 - 15

Leases Receivable – Jones County is the lessor for a non-cancellable 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 over the life of the lease term.

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

Jones 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 government-wide and the 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 American Rescue Plan Act unspent grant 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 and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2023. 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 financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

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

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, 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 Jones 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 with 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 receivable that will not be recognized until the year for which it is levied.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivable that will not be recognized until the year for which it is levied, unrecognized items not yet charged to pension 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.

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

Unassigned – All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2023, disbursements exceeded the amounts appropriated in certain departments.

(2) Cash, Cash Equivalents and Pooled Investments

The County's deposits in banks at June 30, 2023 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 has no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

(3) Due From and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2023 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Special Revenue:		
Secondary Roads	General	<u>\$ 4,731</u>

These balances result from the time lag between the dates interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

(4) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2023 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General	Special Revenue:	
	REAP	<u>\$ 24,968</u>
Special Revenue:		
Secondary Roads	General	\$ 605,000
	Special Revenue:	
	Rural Services	<u>2,600,000</u>
		<u>3,205,000</u>
Capital Projects	General	<u>60,000</u>
Total		<u>\$ 3,289,968</u>

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

(5) Capital Assets

Capital assets activity for the year ended June 30, 2023 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 6,191,374	293,900	-	6,485,274
Intangibles, road network	1,056,149	-	-	1,056,149
Construction in progress, road network	374,926	387,345	757,284	4,987
Construction in progress	524,299	367,289	-	891,588
Total capital assets not being depreciated/amortized	8,146,748	1,048,534	757,284	8,437,998
Capital assets being depreciated/amortized:				
Buildings	4,772,871	311,401	-	5,084,272
Improvements other than buildings	241,331	-	-	241,331
Equipment and vehicles	12,667,945	818,212	312,295	13,173,862
Intangibles	160,907	-	-	160,907
Infrastructure, road network	34,414,519	757,281	-	35,171,800
Infrastructure, other	788,360	-	-	788,360
Total capital assets being depreciated/amortized	53,045,933	1,886,894	312,295	54,620,532
Less accumulated depreciation/amortization for:				
Buildings	2,279,346	138,289	-	2,417,635
Improvements other than buildings	168,933	12,067	-	181,000
Equipment and vehicles	7,515,573	866,502	312,295	8,069,780
Intangibles, other	99,047	1,860	-	100,907
Infrastructure, road network	7,577,727	818,776	-	8,396,503
Infrastructure, other	200,402	15,767	-	216,169
Total accumulated depreciation/amortization	17,841,028	1,853,261	312,295	19,381,994
Total capital assets being depreciated/amortized, net	35,204,905	33,633	-	35,238,538
Governmental activities capital assets, net	\$ 43,351,653	1,082,167	757,284	43,676,536

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 83,072
Physical health and social services	4,419
County environment and education	69,815
Roads and transportation	1,572,806
Governmental services to residents	10,180
Administration	112,969
Total depreciation/amortization expense - governmental activities	<u>\$ 1,853,261</u>

(6) 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, 2023 is as follows:

Fund	Description	Amount
General	Services	\$ 16,291
Special Revenue:		
Secondary Roads	Services and materials	7,065
Total for governmental funds		<u>\$ 23,356</u>
Custodial:		
Agricultural Extension Education	Collections	\$ 2,408
County Assessor		15,060
Schools		153,863
Community Colleges		14,369
Corporations		43,431
Townships		3,772
Auto License and Use Tax		656,832
Jones County Solid Waste		
Management Commission		11,478
All other		<u>90,890</u>
Total for custodial funds		<u>\$ 992,103</u>

(7) Farm Lease Receivable

The County owns tillable ground. On March 1, 2022, the County entered into a three-year lease agreement with a tenant for use of the land. The County is to receive \$46,512 annually for three years beginning March 1, 2022 with an estimated implicit interest rate of 3.75% with final receipt due March 1, 2024. During the year ended June 30, 2023, the County received payments totaling \$46,512.

Year			
Ending			
June 30,	Principal	Interest	Total
2024	<u>\$ 44,831</u>	<u>1,681</u>	<u>46,512</u>

(8) Prepaid Rental Agreement

In November 1999, the County entered into a 28E agreement with the Iowa Department of Transportation for the cooperative construction of transportation maintenance facilities to store and maintain transportation related equipment, materials and supplies. The property is owned by the Iowa Department of Transportation. The agreement is for twenty-five years and is renewable for an additional twenty-five years. The County is responsible for a portion of the operational costs and future improvements.

The County has elected to amortize prepaid expenses of \$80,743 over 25 years. At June 30, 2023 the unamortized prepaid expense balance was \$3,230.

(9) Changes in Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2023 is as follows:

	Compensated Absences	Net Pension Liability	Total OPEB Liability	Total
Balance beginning of year	\$ 479,908	(1,120,207)	242,908	(397,391)
Increases	531,423	3,035,655	19,482	3,586,560
Decreases	441,277	-	18,470	459,747
Balance end of year	\$ 570,054	1,915,448	243,920	2,729,422
Due within one year	\$ 267,895	-	18,470	286,365

(10) 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 – Contribution 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 2023, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the County contributed 9.44% of covered payroll, for a total rate of 15.73%. The Sheriff, deputies and the County each contributed 8.76% of covered payroll, for a total rate of 17.52%. Protection occupation members contributed 6.21% of covered payroll and the County contributed 9.31% of covered payroll, for a total rate of 15.52%.

The County's contributions to IPERS for the year ended June 30, 2023 totaled \$685,817.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the County had a liability of \$1,915,448 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2022, the County's proportion of the net pension liability was 0.050698%, which was a decrease of 0.273786% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023 the County recognized pension expense of \$101,819. At June 30, 2023 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	\$ 197,308	33,787
Changes of assumptions	1,996	80,837
Net difference between projected and actual earnings on IPERS' investments	-	301,369
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	90,440	29,781
County contributions subsequent to the measurement date	685,817	-
Total	<u>\$ 975,561</u>	<u>445,774</u>

\$685,817 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, 2024. 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	\$ (272,659)
2024	(196,133)
2025	(379,359)
2026	691,083
2027	1,038
Total	<u>\$ (156,030)</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2022 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, 2022 valuation were based on the results of a quadrennial experience study dated July 1, 2017 through June 30, 2021.

Mortality rates used in the 2022 valuation were based on the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.

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:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	3.57%
International equity	17.5	4.79
Global smart beta equity	6.0	4.16
Core plus fixed income	20.0	1.66
Public credit	4.0	3.77
Cash	1.0	0.77
Private equity	13.0	7.57
Private real assets	8.5	3.55
Private credit	8.0	3.63
Total	100%	

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

Sensitivity of the County's Proportionate Share of the Net Pension Liability (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)	\$ 4,538,842	1,915,448	(393,307)

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, 2023.

(11) Risk Management

The County is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(12) 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 Jones 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, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	<u>102</u>
Total	<u>104</u>

Total OPEB Liability – The County’s total OPEB liability of \$243,920 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2021. The total OPEB liability was rolled forward from the July 1, 2021 valuation date to the June 30, 2023 measurement date.

Actuarial Assumptions – The total June 30, 2023 OPEB liability in the July 1, 2021 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 July 1, 2021)	3.00% per annum.
Rates of salary increase (effective July 1, 2021)	3.00% per annum, including inflation.
Discount rate (effective July 1, 2021)	2.14% compounded annually, including inflation.
Healthcare cost trend rate (effective July 1, 2021)	5.00% annually.

Discount Rate – The discount rate used to measure the total OPEB liability was 2.14% 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 RP-2014 annuitant distinct mortality table adjusted to 2006 with Scale MP-2022. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 242,908
Changes for the year:	
Service cost	14,178
Interest	5,304
Differences between expected and actual experiences	-
Changes in assumptions	-
Benefit payments	<u>(18,470)</u>
Net changes	<u>1,012</u>
Total OPEB liability end of year	<u>\$ 243,920</u>

Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.14%) or 1% higher (3.14%) than the current discount rate.

	<u>1% Decrease (1.14%)</u>	<u>Discount Rate (2.14%)</u>	<u>1% Increase (3.14%)</u>
Total OPEB liability	\$ 260,205	243,920	228,939

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 (4.00%) or 1% higher (6.00%) than the current healthcare cost trend rates.

	<u>1% Decrease (4.00%)</u>	<u>Healthcare Cost Trend Rate (5.00%)</u>	<u>1% Increase (6.00%)</u>
Total OPEB liability	\$ 223,818	243,920	266,881

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2023, the County recognized OPEB expense of \$7,762. At June 30, 2023, 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	\$ 47,837	27,018
Changes in assumptions	14,413	-
Total	<u>\$ 62,250</u>	<u>27,018</u>

The amount 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
2024	\$ 6,750
2025	6,750
2026	6,750
2027	8,704
2028	7,526
Thereafter	<u>(1,248)</u>
	<u>\$ 35,232</u>

(13) Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 for employees. The 457 Plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. In addition, the County has adopted a deferred compensation matching plan in accordance with Internal Revenue Code Section 401A. The 401A Plan, available to all County employees participating in the 457 Plan, provides for the County to match 100% of the employee contributions to the 457 Plan, up to a maximum of \$50 per month. During the year ended June 30, 2023, the County contributed \$48,150 to the 401A Plan.

All amounts of compensation deferred under the 457 and 401A plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights must be held in trust of the exclusive benefit of plan participants and beneficiaries. These funds are invested and held by the Nationwide Mutual Insurance Company and do not constitute a liability of the County.

(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

Entities within the County provided tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa.

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2023 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Anamosa	Urban renewal and economic development projects	\$ 4,200
City of Monticello	Urban renewal and economic development projects	72,932
City of Wyoming	Urban renewal and economic development projects	3,052

Required Supplementary Information

Jones 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, 2023

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	\$ 10,387,781	-	10,387,781
Interest and penalty on property tax	44,052	-	44,052
Intergovernmental	7,082,340	-	7,082,340
Licenses and permits	87,106	-	87,106
Charges for service	672,074	-	672,074
Use of money and property	566,103	-	566,103
Miscellaneous	962,089	11,213	950,876
Total receipts	19,801,545	11,213	19,790,332
Disbursements:			
Public safety and legal services	4,154,719	-	4,154,719
Physical health and social services	927,298	-	927,298
County environment and education	2,271,471	34,955	2,236,516
Roads and transportation	9,129,598	-	9,129,598
Governmental services to residents	879,801	-	879,801
Administration	3,390,041	-	3,390,041
Non-program	127,816	-	127,816
Capital projects	748,820	-	748,820
Total disbursements	21,629,564	34,955	21,594,609
Excess (deficiency) of receipts over (under) disbursements	(1,828,019)	(23,742)	(1,804,277)
Other financing sources, net	61,760	-	61,760
Change in balances	(1,766,259)	(23,742)	(1,742,517)
Balance beginning of year	16,139,384	49,949	16,089,435
Balance end of year	\$ 14,373,125	26,207	14,346,918

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Actual
		Variance
10,248,105	10,256,746	131,035
29,350	29,350	14,702
8,785,161	7,094,465	(12,125)
71,836	71,326	15,780
737,621	725,145	(53,071)
232,732	252,608	313,495
539,370	855,309	95,567
<u>20,644,175</u>	<u>19,284,949</u>	<u>505,383</u>
4,259,540	4,337,805	183,086
1,179,858	1,168,748	241,450
2,336,702	2,606,596	370,080
8,174,659	9,624,809	495,211
899,753	929,311	49,510
3,113,007	3,783,346	393,305
221,213	223,295	95,479
1,400,000	950,000	201,180
<u>21,584,732</u>	<u>23,623,910</u>	<u>2,029,301</u>
(940,557)	(4,338,961)	2,534,684
90,000	90,000	(28,240)
(850,557)	(4,248,961)	2,506,444
11,332,670	16,059,851	29,584
<u>10,482,113</u>	<u>11,810,890</u>	<u>2,536,028</u>

Jones County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2023

	<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	\$ 19,801,545	547,484	20,349,029
Expenditures	21,629,564	(961,838)	20,667,726
Net	(1,828,019)	1,509,322	(318,697)
Other financing sources, net	61,760	-	61,760
Beginning fund balances	16,139,384	(4,559,989)	11,579,395
Ending fund balances	<u>\$ 14,373,125</u>	<u>(3,050,667)</u>	<u>11,322,458</u>

See accompanying independent auditor's report.

Jones County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2023

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

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds, except the blended component unit 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 nine major classes of expenditures known as functions, not by fund. These nine functions are: public safety and legal services, physical health and social services, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, four budget amendments increased budgeted disbursements by \$2,039,178. The budget amendments are reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the 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, 2023, disbursements did not exceed the amounts budgeted by function. However, disbursements in certain departments exceeded the amounts appropriated at year end.

Jones County

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

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

Required Supplementary Information

	2023	2022	2021	2020
County's proportion of the net pension liability/ asset	0.050698%	0.324484% **	0.059388%	0.057322%
County's proportionate share of the net pension liability (asset)	\$ 1,915	(1,120)	4,172	3,319
County's covered payroll	\$ 6,184	6,011	5,635	5,595
County's proportionate share of the net pension liability as a percentage of its covered payroll	30.97%	(18.63%)	74.04%	59.32%
IPERS' net position as a percentage of the total pension liability	91.40%	100.81%	82.90%	85.45%

* 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.

2019	2018	2017	2016	2015
0.057892%	0.061877%	0.060335%	0.058300%	0.056897%
3,664	4,122	3,797	2,880	2,256
5,384	5,291	5,003	4,827	4,699
68.05%	77.91%	75.89%	59.66%	48.01%
83.62%	82.21%	81.82%	85.19%	87.61%

-

Jones County

Schedule of County Contributions

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

Required Supplementary Information

	2023	2022	2021	2020
Statutorily required contribution	\$ 686	579	566	534
Contributions in relation to the statutorily required contribution	(686)	(579)	(566)	(534)
Contribution deficiency (excess)	\$ -	-	-	-
County's covered payroll	\$ 7,370	6,184	6,011	5,635
Contributions as a percentage of covered payroll	9.31%	9.36%	9.42%	9.48%

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
534	487	480	455	440	429
(534)	(487)	(480)	(456)	(440)	(429)
-	-	-	-	-	-
5,595	5,384	5,291	5,003	4,827	4,699
9.54%	9.05%	9.07%	9.09%	9.12%	9.13%

Jones County

Jones County

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2023

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

The 2022 valuation incorporated the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates for Regular members.
- Lowered disability rates for Regular members.
- Adjusted termination rates for all membership groups.

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.

Jones County

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

For the Past Five Years
Required Supplementary Information

	2023	2022	2021
Service cost	\$ 14,178	13,765	8,332
Interest cost	5,304	5,236	8,321
Difference between expected and actual experiences	-	(18,981)	-
Changes in assumptions	-	13,946	-
Accrued interest			
Benefit payments	(18,470)	(13,979)	(6,293)
Net change in total OPEB liability	1,012	(13)	10,360
Total OPEB liability beginning of year	242,908	242,921	232,561
Total OPEB liability end of year	\$ 243,920	242,908	242,921
Covered-employee payroll	\$ 5,674,174	5,508,907	4,986,295
Total OPEB liability as a percentage of covered-employee payroll	4.3%	4.4%	4.9%

See accompanying independent auditor's report.

<u>2020</u>	<u>2019</u>
8,089	7,082
8,108	4,984
87,701	-
1,006	-
-	-
<u>(14,417)</u>	<u>(4,244)</u>
90,487	7,822
<u>142,074</u>	<u>134,252</u>
<u>232,561</u>	<u>142,074</u>
4,841,063	4,839,023
4.8%	2.9%

Jones County

Notes to Required Supplementary Information – OPEB Liability

Year ended June 30, 2023

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

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

Year ended June 30, 2023	2.14%
Year ended June 30, 2022	2.14%
Year ended June 30, 2020	3.50%
Year ended June 30, 2019	3.50%
Year ended June 30, 2018	3.58%

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

Supplementary Information

Jones County
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2023

	County Recorder's Records Management	Special Law Enforcement Proceeds	Law Enforcement Canine	Special Resource Enhancement and Protection
Assets				
Cash and pooled investments	\$ 22,174	1,428	50,614	129,834
Receivables:				
Succeeding year property tax	-	-	-	-
Interest and penalty on property tax	-	-	-	-
Opioid settlement	-	-	-	-
Accrued interest	-	-	-	-
Total assets	\$ 22,174	1,428	50,614	129,834
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ -	-	9,415	-
Deferred inflows of resources				
Unavailable revenues				
Succeeding year property tax	-	-	-	-
Other	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted for:				
Opioid abatement	-	-	-	-
Other purposes	22,174	1,428	41,199	129,834
Total fund balances	22,174	1,428	41,199	129,834
Total liabilities, deferred inflows of resources and fund balances	\$ 22,174	1,428	50,614	129,834

See accompanying independent auditor's report.

<u>Revenue</u>					
Drug Abuse Resistance Education	Local Government Opioid Abatement	EMS Trust Fund	Friends of Jones County Conservation		Total
430	65,390	-	26,207		296,077
-	-	415,000	-		415,000
-	-	8	-		8
-	236,342	-	-		236,342
-	18	-	-		18
430	301,750	415,008	26,207		947,445
-	-	-	-		9,415
-	-	415,000	-		415,000
-	225,951	-	-		225,951
-	225,951	415,000	-		640,951
-	75,799	-	-		75,799
430	-	8	26,207		221,280
430	75,799	8	26,207		297,079
430	301,750	8	26,207		947,445

Jones County

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

Year ended June 30, 2023

	County Recorder's Records Management	Special Law Enforcement Proceeds	Law Enforcement Canine	Special Resource Enhancement and Protection
Revenues:				
Intergovernmental	\$ -	-	-	11,762
Charges for service	3,188	-	-	-
Use of money and property	20	-	-	643
Miscellaneous	-	-	31,608	-
Total revenues	3,208	-	31,608	12,405
Expenditures:				
Operating:				
Public safety and legal services	-	-	15,610	-
County environment and education	-	-	-	-
Governmental services to residents	3,928	-	-	-
Total expenditures	3,928	-	15,610	-
Excess (deficiency) of revenues over (under) expenditures	(720)	-	15,998	12,405
Other financing uses:				
Transfers out	-	-	-	(24,968)
Change in fund balances	(720)	-	15,998	(12,563)
Fund balances beginning of year	22,894	1,428	25,201	142,397
Fund balances end of year	\$ 22,174	1,428	41,199	129,834

See accompanying independent auditor's report.

Revenue					
Drug Abuse Resistance Education	Local Government Opioid Abatement	EMS Trust Fund	Friends of Jones County Conservation		Total
-	-	-	-	-	11,762
-	-	-	-	-	3,188
-	16	8	-	-	687
-	65,390	-	11,213	-	108,211
-	65,406	8	11,213	-	123,848
-	-	-	-	-	15,610
-	-	-	34,955	-	34,955
-	-	-	-	-	3,928
-	-	-	34,955	-	54,493
-	65,406	8	(23,742)	-	69,355
-	-	-	-	-	(24,968)
-	65,406	8	(23,742)	-	44,387
430	10,393	-	49,949	-	252,692
430	75,799	8	26,207	-	297,079

Jones County
Combining Schedule of Fiduciary Net Position
Custodial Funds

June 30, 2023

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ -	2,408	395,657	153,863
Other County officials	2,960	-	-	-
Accrued interest		-	-	-
Receivables:				
Property tax:				
Delinquent	-	234	447	14,811
Succeeding year	-	267,000	511,000	16,901,000
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Special assessments	-	-	-	-
Due from other governments	-	-	-	-
Total assets	2,960	269,642	907,104	17,069,674
Liabilities				
Accounts payable	-	-	2,565	-
Salaries and benefits payable	-	-	12,338	-
Due to other governments	-	2,408	15,060	153,863
Trusts payable	2,960	-	-	-
Compensated absences	-	-	17,459	-
Total liabilities	2,960	2,408	47,422	153,863
Deferred Inflows of Resources				
Unavailable revenues	-	267,000	511,000	16,901,000
Total deferred inflows of resources	-	267,000	511,000	16,901,000
Net Position				
Restricted for individuals, organizations and other governments	\$ -	234	348,682	14,811

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Solid Waste Management Commission	Other	Total
14,369	43,431	3,772	656,832	1,974,475	748,662	3,993,469
-	-	-	-	-	-	2,960
-	-	-	-	-	-	-
1,448	4,641	370	-	-	2,975	24,926
1,624,000	6,247,000	355,000	-	-	35,000	25,940,000
-	-	-	-	83,546	7,507	91,053
-	-	-	-	8,855	-	8,855
-	-	-	-	-	109,367	109,367
-	-	-	-	4,214	57,529	61,743
1,639,817	6,295,072	359,142	656,832	2,071,090	961,040	30,232,373
-	-	-	-	65,045	2,298	69,908
-	-	-	-	6,370	8,932	27,640
14,369	43,431	3,772	656,832	11,478	90,890	992,103
-	-	-	-	-	-	2,960
-	-	-	-	25,257	20,602	63,318
14,369	43,431	3,772	656,832	108,150	122,722	1,155,929
1,624,000	6,247,000	355,000	-	-	35,000	25,940,000
1,624,000	6,247,000	355,000	-	-	35,000	25,940,000
1,448	4,641	370	-	1,962,940	803,318	3,136,444

Jones County

Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds

Year ended June 30, 2023

	County Offices	Agricultural Extension Education	County Assessor	Schools
Additions:				
Property and other county tax	\$ -	257,399	468,569	16,555,109
911 surcharges	-	-	-	-
State tax credits	-	18,281	32,936	1,047,901
Office fees and collections	575,547	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Trusts	569,768	-	-	-
Miscellaneous	-	-	-	-
Total additions	1,145,315	275,680	501,505	17,603,010
Deductions:				
Agency remittances:				
To other funds	195,860	-	-	-
To other governments	380,336	275,639	486,601	17,600,692
Trusts paid out	569,119	-	-	-
Total deductions	1,145,315	275,639	486,601	17,600,692
Changes in net position	-	41	14,904	2,318
Net position beginning of year	-	193	333,778	12,493
Net position end of year	\$ -	234	348,682	14,811

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License	Solid Waste Management Commission	Other	Total
1,535,711	5,372,671	370,103	-	-	33,116	24,592,678
-	-	-	-	-	44,789	44,789
96,771	623,596	20,128	-	-	1,670	1,841,283
-	-	-	-	-	-	575,547
-	-	-	7,924,841	-	400	7,925,241
-	-	-	-	-	952,392	1,522,160
-	-	-	-	1,060,705	-	1,060,705
1,632,482	5,996,267	390,231	7,924,841	1,060,705	1,032,367	37,562,403
-	-	-	307,649	-	-	503,509
1,632,207	5,995,394	390,150	7,617,192	1,035,027	887,671	36,300,909
-	-	-	-	-	-	569,119
1,632,207	5,995,394	390,150	7,924,841	1,035,027	887,671	37,373,537
275	873	81	-	25,678	144,696	188,866
1,173	3,768	289	-	1,937,262	658,622	2,947,578
1,448	4,641	370	-	1,962,940	803,318	3,136,444

Jones County

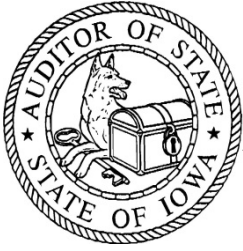
Schedule of Revenues By Source and Expenditures By Function –
All Governmental Funds

For the Last Ten Years

	2023	2022	2021	2020
Revenues:				
Property and other county tax	\$ 9,083,752	8,577,199	8,558,426	8,064,872
Local option sales tax	1,303,432	1,488,367	1,247,608	1,042,500
Interest and penalty on property tax	43,963	46,247	68,305	26,421
Intergovernmental	8,018,474	6,740,211	7,228,557	6,233,307
Licenses and permits	89,926	76,305	60,436	68,837
Charges for service	700,467	774,389	750,698	682,893
Use of money and property	569,203	235,034	241,736	347,503
Miscellaneous	539,812	440,368	1,086,526	526,776
Total	\$ 20,349,029	18,378,120	19,242,292	16,993,109
Expenditures:				
Operating:				
Public safety and legal services	\$ 4,368,748	3,554,477	3,309,174	3,108,388
Physical health and social services	912,146	866,310	748,550	780,697
Mental health	-	886,810	953,076	903,477
County environment and education	1,855,749	1,737,321	991,059	1,082,084
Roads and transportation	9,371,664	7,453,220	6,662,954	6,550,025
Governmental services to residents	860,457	843,240	820,210	775,571
Administration	2,674,899	2,232,942	1,979,976	1,787,845
Non-program	111,002	188,138	187,606	592,253
Debt service	-	-	-	450,482
Capital projects	513,061	1,139,343	1,217,221	2,724,950
Total	\$ 20,667,726	18,901,801	16,869,826	18,755,772

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
7,736,768	7,849,305	7,693,151	7,434,518	7,280,962	7,072,449
884,799	834,067	857,403	832,518	917,239	799,323
41,656	43,490	40,000	42,938	42,982	45,618
7,806,986	6,525,175	6,450,432	7,192,925	6,661,282	5,915,710
74,219	55,973	51,086	70,810	73,594	57,568
677,344	690,298	640,945	637,180	581,223	559,166
338,617	258,880	214,765	172,370	197,919	194,765
521,275	1,066,863	437,154	454,828	436,108	605,283
18,081,664	17,324,051	16,384,936	16,838,087	16,191,309	15,249,882
2,979,007	2,996,084	2,752,376	2,722,911	2,537,685	2,437,181
763,300	715,706	722,072	702,077	696,151	670,071
698,812	795,583	1,157,430	1,115,440	1,035,751	1,118,618
1,637,676	978,695	948,592	923,276	886,991	760,787
7,071,882	6,285,831	6,836,332	6,600,997	6,158,379	5,969,549
737,428	717,962	677,712	796,892	619,073	595,338
1,790,139	1,815,971	1,707,156	1,758,826	1,806,532	1,600,204
82,990	82,243	93,130	89,655	420,735	488,353
450,000	383,021	400,000	-	-	-
2,311,687	1,874,604	354,087	923,830	764,868	995,249
18,522,921	16,645,700	15,648,887	15,633,904	14,926,165	14,635,350



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

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

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 Jones 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 Jones County, Iowa, as of and for the year ended June 30, 2023, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 15, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2023-001 through 2023-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jones 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 a certain immaterial instance of noncompliance or other matter which is described in the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2023 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.

Jones County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Jones County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings. Jones 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 Jones 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.



Brian R. Brustkern, CPA
Deputy Auditor of State

August 15, 2024

Jones County

Schedule of Findings

Year ended June 30, 2023

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

2023-001 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 individual in the Conservation Office may have control over collecting, depositing and reconciling receipts.

Cause – The Conservation Office has 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 the 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 – We realize segregation of duties is difficult with a limited number of employees. However, the operating procedures should be reviewed to obtain the maximum internal control possible under the circumstances. Current personnel, including elected officials and personnel from other County offices, should be utilized to provide additional control through review of financial transactions and reconciliations. 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.

Response – Conservation will review procedures and see if the use of County employees outside of the department will support better segregation of duties.

Conclusion – Response accepted.

2023-002 Segregation of Duties – Friends of Jones County Conservation and Nature Center (Friends)

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 individual. This segregation of duties helps prevent losses from error or dishonesty and maximizes the accuracy of the Friend’s financial statements.

Jones County

Schedule of Findings

Year ended June 30, 2023

Condition – Generally, one individual has control over account billings, collections, depositing, and recording functions.

Cause – The Friends have a limited number of individuals on the board 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 the Friend's ability to prevent or detect and correct misstatements, errors, or misappropriation on a timely basis by individuals the normal course of performing their assigned functions.

Recommendation – We realize segregation of duties is difficult with a limited number of individuals. However, the operating procedures should be reviewed to obtain the maximum internal control possible under the circumstances. Current personnel, including elected officials and personnel from other County offices, should be utilized to provide additional control through review of financial transactions and reconciliations. 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.

Friends Response – Moving forward, Friends will do our best to segregate duties.

Conclusions – Response accepted.

2023-003 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 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. The County's policy is to record accounts receivable to match expenditures or accounts payable.

Condition – During the prior year, the County recorded an accounts payable and expense of \$338,694 related to the Wapsi Trail Phase 2 project. A corresponding reimbursement from the grantor was not recorded.

Cause – The County Conservation and Auditor's offices does not have effective procedures to ensure accruals are properly recorded at year end.

Effect – Lack of implementation of procedures resulted in County employees not detecting the errors in normal course of performing their assigned functions. As a result, adjustments to the financial statements were required.

Jones County

Schedule of Findings

Year ended June 30, 2023

Recommendation – The County Conservation and Auditor’s offices should establish procedures to ensure all receivables are identified and properly reported in the County’s financial statements.

Response – The County Conservation and Auditor’s offices will implement procedures to ensure all accounts receivable accruals are reported in the County’s financial statements in the proper fiscal year.

Conclusions – Response accepted.

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

Jones County

Schedule of Findings

Year ended June 30, 2023

Findings Related to Required Statutory Reporting:

2023-A Certified Budget – Disbursements during the year ended June 30, 2023 did not exceed the amounts budgeted. However, disbursements in certain departments exceeded the amounts appropriated at year end.

Recommendation – 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 appropriations.

Response – Appropriations will be watched more closely by the departments.

Conclusion – Response acknowledged. The County should adjust office or department appropriations before disbursements are allowed to exceed appropriations.

2023-B Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.

2023-C Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

2023-D Business Transactions – Business transactions between the County and County officials or employees are detailed as follows:

<u>Vendor and County Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Redmond CSR RPR, Sandra Redmond, wife of Secondary Roads employee	Court reporter (deposition services)	\$ 114
Timber Ridge Land Enhancement & Construction, son of Deputy Auditor	Snow removal	19,400
WM Burger - Land Surveyor, father of Secondary Roads employee	Land surveying	5,648

The Sandra Redmond and WM Burger transactions do not appear to represent conflicts of interest in accordance with Chapter 331.342(2)(j) of the Code of Iowa since the total transactions with the employees, Board members, or spouses were less than \$6,000 during the fiscal year.

In accordance with Chapter 331.342(2)(d) of the Code of Iowa, the transaction with Timber Ridge does not appear to represent a conflict of interest since the transaction was competitively bid and was publicly invited and opened.

Jones County

Schedule of Findings

Year ended June 30, 2023

- 2023-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.
- 2023-F Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be periodically reviewed to ensure the coverage is adequate for current operations.
- 2023-G Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- 2023-H Deposits and Investments – No instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the County’s investment policy were noted.
- 2023-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).
- 2023-J Secondary Roads – During our fieldwork, County officials identified an invoice from a vendor that was recorded under the Secondary Roads Contract for which the payment method was determined to be a Secondary Road's employee's personal credit card. As a result, we reviewed invoices paid and billed under the County's contract on behalf of Secondary Roads from two vendors to determine if there were any additional invoices paid by a personal credit card for the period January 1, 2020 through March 31, 2024.

During our review, we identified six additional instances at two vendors where Secondary Road's employees used the County's account with the vendor to order and pay for the items for personal use. Because the employees were using the County's contract, the employees avoided paying sales tax on the items purchased. In addition, because the purchases occurred under the County contract, the employees may have personally benefited because the products may have been sold at a contract price which may be different than the price available to the general public.

Recommendation – County officials should ensure County contracts are used for County operations and not for personal purchases. County officials should develop a policy prohibiting the use of County contracts for personal use and procedures to review purchases or charges made on County contracts to ensure items purchased are for County operations and not personal use.

Response – The Auditor and County Attorney will talk to the Secondary Roads Department to tell them to discontinue this practice and will work with the Board of Supervisors to develop a policy prohibiting this practice.

Conclusion – Response accepted.

Jones County

Staff

This audit was performed by:

Brian R. Brustkern, CPA, Deputy
Gwen D. Fangman, CPA, Manager
William R. Bamber, CPA, Senior Auditor
William J. Sallen, CPA, Senior Auditor
David A. Slocum, CPA, Senior Auditor
Brandon L. Weddell, Staff Auditor
Dillon J. Hoit, Assistant Auditor