



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
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NEWS RELEASE

Contact: Ernest Ruben
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FOR RELEASE

May 5, 2022

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

FINANCIAL HIGHLIGHTS:

The County's revenues totaled \$19,194,185 for the year ended June 30, 2021, a 11.9% increase over the prior year. Expenses for County operations for the year ended June 30, 2021 totaled \$17,078,865, a 1.2% decrease from the prior year. The increase in the revenues is due primarily to an increase in operating grants for secondary roads projects and receipt of Coronavirus Relief Funds.

AUDIT FINDINGS:

Sand reported three findings related to the receipt and expenditure of taxpayer funds. They are found on pages 81 through 87 of this report. The findings address a lack of segregation of duties, certain receipts recorded to the incorrect year and a lack of a monthly reconciliation of Solid Waste Commission accounts receivable. Sand provided the County with recommendations to address the findings.

One finding discussed above was 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 web site at <https://auditor.iowa.gov/reports/audit-reports/>.

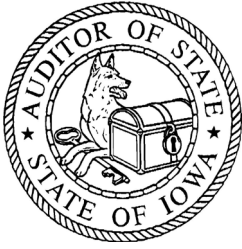
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JONES COUNTY

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

JUNE 30, 2021

Jones County



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

April 20, 2022

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, 2021. 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 that reads "Rob Sand". The signature is written in a cursive, slightly stylized font.

Rob Sand
Auditor of State

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Jones County

Officials

(Before January 2021)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Lloyd Eaken	Board of Supervisors	Jan 2021
Wayne Manternach	Board of Supervisors	Jan 2021
Joe Oswald	Board of Supervisors	Jan 2021
Ned Rohwedder	Board of Supervisors	Jan 2023
Jon C. Zirkelbach	Board of Supervisors	Jan 2023
Janine Sulzner	County Auditor	Jan 2021
Amy L. Picray	County Treasurer	Jan 2023
Sheri L. Jones	County Recorder	Jan 2023
Greg A. Graver	County Sheriff	Jan 2021
Kristofer Lyons	County Attorney	Jan 2023
Sarah Benter	County Assessor	Jan 2022

(After January 2021)

<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 2022



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Independent Auditor's Report

To the Officials of Jones County:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Jones County, Iowa, as of and for the year ended June 30, 2021, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Jones County as of June 30, 2021 and the respective changes in its financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of a Matter

As discussed in Note 16 to the financial statements, Jones County adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 8 through 16 and 52 through 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

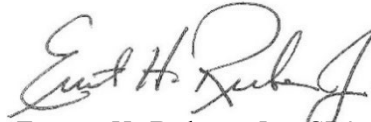
Supplementary Information

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, 2020 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 6, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 20, 2022 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.



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

April 20, 2022

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, 2021. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2021 FINANCIAL HIGHLIGHTS

- The County implemented Governmental Accounting Standards Board Statement (GASBS) No. 84, Fiduciary Activities, during fiscal year 2021. The beginning net position for fiduciary (custodial) funds was restated by \$2,885,909, to retroactively report in accordance with the GASBS.
- Revenues of the County's governmental activities increased 11.9%, or approximately \$2,048,000, from fiscal year 2020 to fiscal year 2021. Operating grants, contributions and restricted interest increased approximately \$1,254,000, property tax revenues increased approximately \$469,000, and miscellaneous revenues increased approximately \$571,000.
- Program expenses of the County's governmental activities decreased 1.2%, or approximately \$201,000, from fiscal year 2020 to fiscal year 2021. Roads and transportation expenses decreased approximately \$320,000, non-program expenses decreased approximately \$308,000, county environment and education expenses decreased approximately \$146,000, public safety and other legal services expenses increased approximately \$242,000 and administration expenses increased approximately \$237,000.
- The County's net position increased 4.6%, or approximately \$2,115,000, from June 30, 2020 to June 30, 2021.
- Jones County property tax rates for fiscal year 2021 increased overall by 1.0% yet the County had a 4.9% increase in budgeted tax dollars for County operations of \$413,308. The County increased the fiscal year 2021 mental health tax levy rate from \$0.17635 to \$0.61139 per \$1,000 of taxable valuation for fiscal year 2021. The implementation of the 1% local option sales tax in 1999 continues to provide a significant amount of property tax relief for the Special Revenue, Rural Services Fund. Jones County no longer levied for debt service for fiscal year 2021.

USING THIS ANNUAL REPORT

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

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

The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of 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. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the County.

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

The County has two kinds of funds:

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

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

- 2) Fiduciary funds are used to report assets held in a trust or agency capacity for others which cannot be used to support the County’s own programs. These fiduciary funds include 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,	
	2021	2020
Current and other assets	\$ 23,515,156	\$19,727,446
Capital assets	31,808,683	39,516,654
Total assets	55,323,839	59,244,100
Deferred outflows of resources	1,271,784	1,177,208
Long-term liabilities	4,892,609	3,983,626
Other liabilities	2,955,821	1,485,810
Total liabilities	7,848,430	5,469,436
Deferred inflows of resources	8,740,662	9,274,529
Net position:		
Net investment in capital assets	39,594,815	39,516,654
Restricted	7,847,122	6,369,111
Unrestricted	350,726	(208,422)
Total net position	\$ 47,792,663	45,677,343

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% over the prior year.

The next largest is restricted, which represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position category increased 23.2% over the prior year, primarily due to a decrease in secondary roads construction activities expenses.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased from a deficit of approximately \$208,000 at June 30, 2020 to a balance of approximately \$351,000 at the end of this year, an increase of 268.3%. This increase is primarily due to an increase in the cash and pooled investments at June 30, 2021.

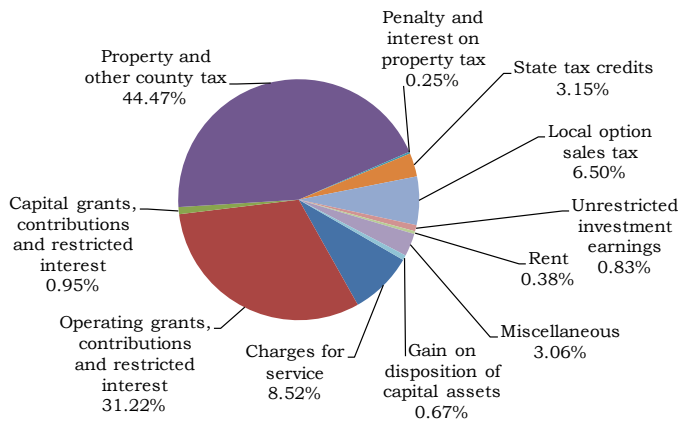
Total net position of Jones County’s governmental activities increased 4.6% (approximately \$47.8 million compared to approximately \$45.7 million).

The County's governmental activities revenues increased approximately \$2,048,000, or 11.9%, over the prior year. The increase in the revenues is due primarily to an increase in operating grants for secondary roads projects and receipt of Coronavirus Relief Funds. Expenses decreased approximately \$201,000, or 1.2%.

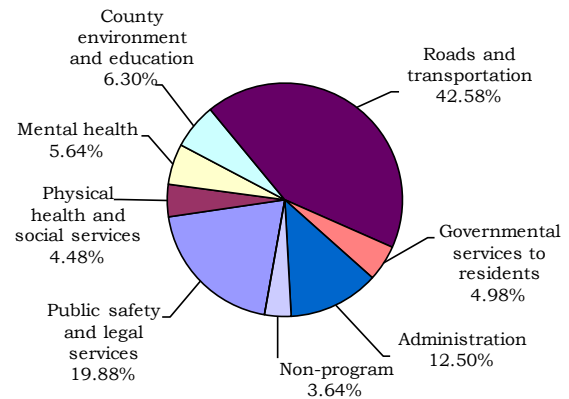
The cost of all governmental activities this year was approximately \$17.1 million compared to approximately \$17.3 million last year. However, as shown in the Statement of Activities on page 19, the amount taxpayers ultimately financed for these activities was approximately \$9.3 million because some of the cost was paid by those who directly benefited from the programs (approximately \$1,636,000) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately \$6,176,000). Overall, the County's governmental program revenues, including intergovernmental aid and charges for services, increased in fiscal year 2021 from approximately \$7,007,000 to approximately \$7,812,000. The primary reason for this increase is an increase in the infrastructure contributed by the Iowa Department of Transportation during fiscal year 2021.

Changes in Net Position of Governmental Activities		
	Year ended June 30,	
	2021	2020
Revenues:		
Program revenues:		
Charges for service	\$ 1,636,212	1,979,721
Operating grants, contributions and restricted interest	5,993,276	4,739,356
Capital grants, contributions and restricted interest	182,488	288,234
General revenues:		
Property and other county tax	8,535,402	8,066,481
Penalty and interest on property tax	47,403	61,783
State tax credits	604,480	612,015
Local option sales tax	1,247,608	1,042,500
Unrestricted investment earnings	159,200	265,022
Rent	73,026	75,304
Gain on disposition of capital assets	127,871	-
Miscellaneous	587,219	16,103
Total revenues	19,194,185	17,146,519
Program expenses:		
Public safety and legal services	3,395,128	3,153,019
Physical health and social services	765,631	796,475
Mental health	963,019	886,934
County environment and education	1,076,672	1,223,147
Roads and transportation	7,271,794	7,591,324
Governmental services to residents	850,273	799,462
Administration	2,134,459	1,897,860
Non-program	621,889	929,557
Interest on long-term debt	-	2,482
Total expenses	17,078,865	17,280,260
Change in net position	2,115,320	(133,741)
Net position beginning of year, as restated	45,677,343	45,811,084
Net position end of year	\$ 47,792,663	45,677,343

Revenues by Source



Expenses by Program



INDIVIDUAL MAJOR FUND ANALYSIS

As Jones County completed the year, its governmental funds reported a combined fund balance of approximately \$12 million, an increase of approximately \$2,446,000 over last year’s total of approximately \$9.5 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 2021 with a fund balance of \$5,669,418. This is an increase of \$1,240,435 from June 30, 2020. Expenditures decreased \$141,946 while revenues increased \$1,403,263 over fiscal year 2020. The two most significant expenditure changes were in the non-program and the public safety and legal services functions.

The non-program function in the General Fund decreased approximately \$405,000 primarily due to grant funds for the Mon Maq Dam project being returned in fiscal year 2020 and none in fiscal year 2021. The public safety and legal services function increased approximately \$235,000 primarily due to more salary expenditures incurred for COVID-19 support in fiscal year 2021.

Miscellaneous revenues in the General Fund increased approximately \$558,000 primarily due to an insurance reimbursement for derecho damage. Intergovernmental revenues increased approximately \$578,000, primarily due to the receipt of Coronavirus Relief Funds used for public safety salary reimbursements and FEMA derecho project reimbursements.

The Special Revenue, Mental Health Fund ended fiscal year 2021 with a fund balance of \$214,302. The balance decreased \$7,883 from June 30, 2020. Expenditures increased 5.5%, or \$49,599, over fiscal year 2021, primarily due to an increase in payments to the Mental Health Region’s fiscal agent. Revenues increased 102.8%, or \$479,140, primarily due to an increase in the levy rate applied to increased valuation.

The Special Revenue, Rural Services Fund ended fiscal year 2021 with a balance of \$399,025, or \$50,100 more than the June 30, 2020 balance of \$348,925. Property and other county tax increased \$160,470, or 8.3%, due to an increase to increased tax rate. The transfer to the Secondary Roads Fund to support road maintenance and road projects increased from \$2,065,000 to \$2,255,000.

The Special Revenue, Secondary Roads Fund ended fiscal year 2021 with a balance of \$5,333,971, an increase of \$1,253,354 from the June 30, 2020 balance of \$4,080,617. Of the ending balance, \$2,341,851 is unspent local option sales tax restricted for future road and bridge projects, per voter approval in 1999, and \$503,221 is the value of materials held in inventory and prepaid expenditures at June 30, 2021. The restricted fund balance within the Secondary Roads Fund reflects a positive balance of \$4,830,750 on a GAAP basis, 34.9% higher than the June 30, 2020 balance of \$3,580,619. Expenditures decreased \$1,211,131, or 14.6%. The County decreased its spending for its locally funded road construction activities in fiscal year 2021 by over 63.8% (\$786,249 compared to \$2,170,509 in fiscal year 2020), primarily due to construction schedules. Revenues for the Secondary Roads Fund for fiscal year 2021 reflect a increase from fiscal year 2020 of \$607,520, primarily in intergovernmental revenues related to road and bridge construction projects, and an increase in local option sales tax. In fiscal year 2021, a transfer was made from the Special Revenue, Rural Services Fund in the amount of \$2,255,000, and a transfer was made from the General Fund in the amount of \$179,000, bringing the total funds transferred to the Secondary Roads Fund to \$2,434,000.

The Capital Projects Fund ended fiscal year 2021 with a fund balance of \$170,224. 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

In accordance with the Code of Iowa, the Board of Supervisors annually adopts a budget following required public notice and hearing for all funds except the blended component unit and the Agency Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The County budget is prepared on a cash basis. Over the course of fiscal year 2021, Jones County amended its budget two times.

The first amendment was made on July 28, 2020 primarily to account for decreased county environment and education expenditures due to the terminated Mon Maq Dam project and offset by adding back a portion of unused fiscal year 2020 conservation department spending authority to fiscal year 2021 specific uses. The total decrease in budgeted disbursements (non-transfer) was \$763,762. The net total decrease in revenue (non-transfer) adopted in the July amendment was \$820,346. The entirety of the decrease was in intergovernmental revenues, primarily reflecting changes to grant related revenues towards various projects.

The final amendment was made on March 30, 2021 and resulted in changes to budgeted amounts in every revenue category and for every disbursements function except debt service

The net total increase in revenue (non-transfer) adopted in the March amendment was \$816,936. Of significance was a \$588,140 increase in miscellaneous revenues, primarily due to insurance proceeds related to the derecho.

The net total decrease in budgeted disbursements (non-transfer) adopted in the March amendment reflect a decrease of \$576,904. Of significance was a \$506,451 decrease in budgeted county environment and education due to a delay in construction of a conservation project until fiscal year 2022. Various other less significant changes in disbursements resulted in a net decrease of \$70,453 in eight other functions. Nearly all departments reflected some level of change in spending authority and/or revenue adjustments with this budget amendment.

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 \$3,139,163 more than the final amended budget, a variance of 17.2%. The March 2021 amendment allowed the County to minimize significant variances in budgeted to actual revenues.

Total disbursements were \$1,599,666 less than the final amended budget, an 8.4% variance. Actual disbursements for the public safety and legal services, mental health, roads and transportation, governmental services to residents and administration functions were all within 10% of the final amended budget. Disbursements for the physical health and social services function were \$103,064, or 12.0%, below budget, primarily due to decreases in hours for existing and part time public health staff that was needed to provide COVID-19 services. Disbursements for the county environment and education function were \$378,681, or 27.6%, below budget, primarily due to conservation projects scheduling. Disbursements for the nonprogram function were \$52,826, or 22.2%, below budget, primarily due reduction in services. Disbursements for the capital projects function were \$293,219, or 13.7%, below budget, primarily due to road construction and conservation projects scheduling.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, Jones County had \$39,564,815 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 \$78,161, or 0.2%, over last year, primarily due to County projects in progress.

Capital Assets of Governmental Activities at Year End		
	June 30,	
	2021	2020
Land	\$ 6,191,374	6,191,374
Intangibles, road network	1,056,149	924,305
Construction/intangibles in progress	538,609	1,652,552
Buildings	2,631,814	2,770,103
Improvements other than buildings	84,464	96,530
Equipment and vehicles	4,739,199	4,658,412
Intangibles, other	63,720	65,580
Infrastructure	24,289,486	23,157,798
Total	\$ 39,594,815	39,516,654
This year's major additions included:		
Infrastructure, road network	\$	670,463
Caterpillar Motor Grader		332,046
2021 Mack Tandem Dump Truck		222,016
Caterpillar D5K Dozer		147,286
Total	\$	1,371,811

The County had depreciation/amortization expense of \$1,754,374 in fiscal year 2021 and total accumulated depreciation/amortization of \$16,299,826 at June 30, 2021.

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 2022 budget, tax rates, and the fees charged for various County activities. The primary factors considered were the increase in taxable valuations, changes in funding for mental health services, jail staffing increases to meet minimum staffing levels, needed facility improvements and repairs, and the Board's desire to invest in County facility upgrades and keep the tax levy rate relatively stable.

Jones County's total taxable valuation for the fiscal year 2022 budget increased 3.0%. By class of property, the County's agricultural valuation increased 3%, residential valuation rose 4%, commercial valuation reflects a 1% decrease and industrial valuation reflects a decrease of 8%. The multi-residential valuation decreased by 10%. New residential construction in Jones County increased during 2019 for the January 1, 2020 assessment to become taxable in fiscal 2022. Jones County's agricultural land values continue to comprise 33% of Jones County's taxable valuation, while residential values continue to comprise 39% of the total.

The fiscal year 2022 General Fund budget reflects a tax increase of \$206,244 and is projected to produce an unrestricted fund balance on June 30, 2022 of 40.85% of total general operating disbursements (total General Fund balance of 40.71% of total disbursements). The tax increase of \$206,244 was generated by applying the same General Basic levy rate and decreasing the General Supplemental tax levy rate by .00009 when compared to fiscal year 2021, to the increased valuation. The total General Fund fiscal year 2022 budgeted disbursements (including transfers out) are \$1,320,860 less than the original 2021 fiscal year budget. The General Fund fiscal year 2022 budget reflects a 3.27% increase in employee wages and benefits, primarily due to increased jail staffing, with overall disbursements projected to decrease by nearly 12%, primarily due to a decrease in Conservation Department projects funded with non-tax revenues. The collective bargaining agreement covering wages to be paid in fiscal year 2022 calls for a 2.75% wage increase for employees in the bargaining unit. A variety of wage increase rates were granted to non-union employees. The Board reduced by 20% the salary increases recommended by the Compensation Board for the elected Attorney, Auditor, Recorder, Sheriff and Treasurer, and by 20% for their own salaries. Budgeted non-tax General Fund receipts are projected to decrease by over 21% (\$853,845) in the fiscal 2022 budget, however, a large portion of the decrease was attributed to funding received for large scale Conservation projects that happened in fiscal year 2021.

The fiscal year 2022 Special Revenue, Mental Health Fund levy of \$700,000 was established at an amount sufficient to meet projected expenses when considering the fiscal 2021 ending fund balance projected to carry forward into fiscal 2022, at \$164,956. The total tax dollars levied at the budget adoption hearing was the same as fiscal 2021. After the fiscal year 2022 budget was finalized, the Governor signed into law SF619 which put a cap on the amount of taxes a county can levy for fiscal year 2022. The Department of Management automatically decreased the mental health levy to \$437,196 for fiscal 2022. After fiscal year 2022, the county will no longer be able to levy for mental health services.

The budget for the Special Revenue, Rural Services Fund for fiscal year 2022 reflects a tax increase of \$94,867. The tax increase represents the Board's desire to keep revenues in this fund close to proposed disbursements and transfers out, and to try to maintain a consistent levy rate from year to year when possible. The tax levy rate is the same as the tax levy rate from fiscal year 2021. The transfer to the Secondary Road Fund increased \$124,000 in the fiscal year 2022 budget to help fund Secondary Road expenditures.

The Special Revenue, Secondary Roads Fund budget for fiscal year 2022 reflects an increase of \$997,440 in road maintenance disbursements to \$7,600,000, and a \$400,000 decrease in the roadway construction budget from the originally budgeted fiscal year 2021 level of \$1,500,000 down to \$1,100,000 in fiscal year 2022. The County is decreasing the amount of funds spent on locally funded construction projects from the budgeted fiscal year 2021 budget, primarily due to

construction schedules. 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 \$1,100,000 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 2022, the Board of Supervisors did not use the debt service levy.

The overall fiscal year 2022 budget reflects a 2.2281 cent decrease (after the Department of Management reduced the Mental Health levy to comply with SF619) in the countywide levy rate and keeps the rural services levy rate the same. The adopted budget generates a .42% increase (\$38,307) in total tax dollars to be levied to support the County budget. This rate does account for a \$262,804 decrease in tax dollars levied for the Mental Health levy due to SF619.

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

Jones County
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets	
Cash and pooled investments	\$ 13,717,821
Receivables:	
Property tax:	
Delinquent	9,538
Succeeding year	8,499,000
Interest and penalty on property tax	23,280
Accounts	5,587
Accrued interest	5,359
Special assessments	16,093
Due from other governments	735,257
Inventories	493,532
Prepaid expense	9,689
Capital assets not being depreciated	7,786,132
Capital assets, net of accumulated depreciation/amortization	31,808,683
Total assets	63,109,971
Deferred Outflows of Resources	
Pension related deferred outflows	1,198,554
OPEB related deferred outflows	73,230
Total deferred outflows of resources	1,271,784
Liabilities	
Accounts payable	451,718
Salaries and benefits payable	470,399
Due to other governments	25,183
Unearned Revenue	2,008,521
Long-term liabilities:	
Portion due or payable within one year:	
Compensated absences	218,546
Total OPEB liability	6,293
Portion due or payable after one year:	
Compensated absences	259,311
Net pension liability	4,171,831
Total OPEB liability	236,628
Total liabilities	7,848,430
Deferred Inflows of Resources	
Unavailable property tax revenue	8,499,000
Pension related deferred inflows	222,199
OPEB related deferred inflows	19,463
Total deferred inflows of resources	8,740,662
Net Position	
Net investment in capital assets	39,594,815
Restricted for:	
Supplemental levy purposes	1,336,569
Mental health purposes	196,451
Rural services purposes	397,354
Secondary roads purposes	5,122,156
Capital projects	278,882
Other purposes	515,710
Unrestricted	350,726
Total net position	\$ 47,792,663

See notes to financial statements.

Jones County

Statement of Activities

Year ended June 30, 2021

	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	\$ 3,395,128	329,827	377,487	-	(2,687,814)
Physical health and social services	765,631	11,416	374,755	-	(379,460)
Mental health	963,019	234,109	252	-	(728,658)
County environment and education	1,076,672	110,519	26,702	171,488	(767,963)
Roads and transportation	7,271,794	380,261	5,089,225	-	(1,802,308)
Governmental services to residents	850,273	484,171	28,507	-	(337,595)
Administration	2,134,459	82,173	9,175	-	(2,043,111)
Non-program	621,889	3,736	87,173	11,000	(519,980)
Total	\$ 17,078,865	1,636,212	5,993,276	182,488	(9,266,889)
General Revenues:					
Property and other county tax levied for general purposes					8,535,402
General purposes					47,403
Penalty and interest on property tax					604,480
State tax credits					1,247,608
Local option sales tax					159,200
Unrestricted investment earnings					73,026
Rent					127,871
Gain on disposition of capital assets					587,219
Miscellaneous					11,382,209
Total general revenues					2,115,320
Change in net position					45,677,343
Net position beginning of year, as restated					\$ 47,792,663
Net position end of year					

See notes to financial statements.

Jones County
Balance Sheet
Governmental Funds

June 30, 2021

	Special		
	General	Mental Health	Rural Services
Assets			
Cash and pooled investments	\$ 8,000,051	172,961	379,092
Receivables:			
Property tax:			
Delinquent	7,747	337	1,454
Succeeding year	5,933,000	409,000	2,157,000
Interest and penalty on property tax	23,280	-	-
Accounts	3,978	-	-
Accrued interest	5,359	-	-
Special assessments	16,093	-	-
Due from other funds	-	-	-
Due from other governments	122,559	54,998	22,641
Inventories	-	-	-
Prepaid expenditures	-	-	-
Total assets	\$ 14,112,067	637,296	2,560,187
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 114,318	361	162
Salaries and benefits payable	308,478	13,288	2,568
Due to other funds	4,003	22	-
Due to other governments	24,797	-	-
Unearned revenue	2,008,521	-	-
Total liabilities	2,460,117	13,671	2,730
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	5,933,000	409,000	2,157,000
Other	49,532	323	1,432
Total deferred inflows of resources	5,982,532	409,323	2,158,432
Fund balances:			
Nonspendable:			
Inventories and prepaid expenditures	-	-	-
Restricted for:			
Supplemental levy purposes	1,347,652	-	-
Mental health purposes	-	214,302	-
Rural services purposes	-	-	399,025
Secondary roads purposes	-	-	-
Conservation land acquisition/capital improvements	108,658	-	-
Capital projects	-	-	-
Conservation department projects	239,621	-	-
Other purposes	53,981	-	-
Committed for:			
County facility capital projects/purposes	55,000	-	-
Voting equipment replacement	100,000	-	-
Aerial tax mapping update project	89,105	-	-
GIS projects	8,568	-	-
Conservation improvements	565,008	-	-
Unassigned	3,101,825	-	-
Total fund balances	5,669,418	214,302	399,025
Total liabilities, deferred inflows of resources and fund balances	\$ 14,112,067	637,296	2,560,187

See notes to financial statements.

Revenue			
Secondary Roads	Capital Projects	Nonmajor	Total
4,773,076	170,224	222,417	13,717,821
-	-	-	9,538
-	-	-	8,499,000
-	-	-	23,280
1,609	-	-	5,587
-	-	-	5,359
-	-	-	16,093
4,025	-	-	4,025
535,059	-	-	735,257
493,532	-	-	493,532
9,689	-	-	9,689
<u>5,816,990</u>	<u>170,224</u>	<u>222,417</u>	<u>23,519,181</u>
336,568	-	309	451,718
146,065	-	-	470,399
-	-	-	4,025
386	-	-	25,183
-	-	-	2,008,521
<u>483,019</u>	<u>-</u>	<u>309</u>	<u>2,959,846</u>
-	-	-	8,499,000
-	-	-	51,287
-	-	-	8,550,287
503,221	-	-	503,221
-	-	-	1,347,652
-	-	-	214,302
-	-	-	399,025
4,830,750	-	-	4,830,750
-	-	-	108,658
-	170,224	-	170,224
-	-	-	239,621
-	-	222,108	276,089
-	-	-	55,000
-	-	-	100,000
-	-	-	89,105
-	-	-	8,568
-	-	-	565,008
-	-	-	3,101,825
<u>5,333,971</u>	<u>170,224</u>	<u>222,108</u>	<u>12,009,048</u>
<u>5,816,990</u>	<u>170,224</u>	<u>222,417</u>	<u>23,519,181</u>

Jones County

Jones County

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

June 30, 2021

Total governmental fund balances (page 21) \$ 12,009,048

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 \$55,894,641 and the accumulated depreciation/amortization is \$16,299,826. 39,594,815

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. 51,287

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	\$ 1,271,784	
Deferred inflows of resources	<u>(241,662)</u>	1,030,122

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. (4,892,609)

Net position of governmental activities (page 18) \$ 47,792,663

See notes to financial statements.

Jones County

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

Year ended June 30, 2021

	Special		
	General	Mental Health	Rural Services
Revenues:			
Property and other county tax	\$ 5,795,100	661,270	2,102,056
Local option sales tax	-	-	311,902
Interest and penalty on property tax	68,305	-	-
Intergovernmental	2,044,308	283,923	118,180
Licenses and permits	54,351	-	-
Charges for service	737,390	-	8,375
Use of money and property	241,127	-	-
Miscellaneous	943,513	-	-
Total revenues	9,884,094	945,193	2,540,513
Expenditures:			
Operating:			
Public safety and legal services	3,304,948	-	-
Physical health and social services	748,550	-	-
Mental health	-	953,076	-
County environment and education	762,701	-	224,837
Roads and transportation	378,587	-	-
Governmental services to residents	808,167	-	10,576
Administration	1,979,976	-	-
Non-program	187,606	-	-
Debt service	-	-	-
Capital projects	-	-	-
Total expenditures	8,170,535	953,076	235,413
Excess (deficiency) of revenues over (under) expenditures	1,713,559	(7,883)	2,305,100
Other financing sources (uses):			
Sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	(473,124)	-	(2,255,000)
Total other financing sources (uses)	(473,124)	-	(2,255,000)
Change in fund balances	1,240,435	(7,883)	50,100
Fund balances beginning of year	4,428,983	222,185	348,925
Fund balances end of year	\$ 5,669,418	214,302	399,025

See notes to financial statements.

Revenue			
Secondary Roads	Capital Projects	Nonmajor	Total
-	-	-	8,558,426
935,706	-	-	1,247,608
-	-	-	68,305
4,769,979	-	12,167	7,228,557
6,085	-	-	60,436
100	-	4,833	750,698
-	-	609	241,736
104,889	5,000	33,124	1,086,526
5,816,759	5,000	50,733	19,242,292
-	-	4,226	3,309,174
-	-	-	748,550
-	-	-	953,076
-	-	3,521	991,059
6,284,367	-	-	6,662,954
-	-	1,467	820,210
-	-	-	1,979,976
-	-	-	187,606
-	-	-	-
786,249	430,972	-	1,217,221
7,070,616	430,972	9,214	16,869,826
(1,253,857)	(425,972)	41,519	2,372,466
73,211	-	-	73,211
2,434,000	294,124	-	2,728,124
-	-	-	(2,728,124)
2,507,211	294,124	-	73,211
1,253,354	(131,848)	41,519	2,445,677
4,080,617	302,072	180,589	9,563,371
5,333,971	170,224	222,108	12,009,048

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, 2021

Change in fund balances - Total governmental funds (page 25) \$ 2,445,677

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	\$ 1,777,875	
Depreciation/amortization expense	<u>(1,754,374)</u>	23,501

In the Statement of Activities, the loss on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources, as follows:

Gain on disposition of capital assets	127,871	
Proceeds from the sale of capital assets	<u>(73,211)</u>	54,660

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	(23,024)	
Other	<u>(152,954)</u>	(175,978)

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.

565,933

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	(46,135)	
Pension expense	(734,687)	
OPEB expense	<u>(17,651)</u>	<u>(798,473)</u>

Change in net position of governmental activities (page 19) \$ 2,115,320

See notes to financial statements.

Jones County
Statement of Fiduciary Net Position –
Custodial Funds

June 30, 2021

Assets

Cash and pooled investments:	
County Treasurer	\$ 3,958,666
Other County officials	6,542
Receivables:	
Property tax:	
Delinquent	22,136
Succeeding year	24,388,000
Accounts	37,867
Accrued interest	4,612
Special assessments	174,735
Due from other governments	45,053
Prepaid expenses	1,586
Capital assets, net of accumulated depreciation	694,513

Total assets	29,333,710
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Deferred Outflows of Resources

Pension related deferred outflows	31,053
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Liabilities

Accounts payable	50,121
Salaries and benefits payable	36,299
Due to other governments	1,028,333
Trusts payable	6,042
Compensated absences	41,007
Net pension liability	119,944
Estimated liability for landfill closure and postclosure care	893,731

Total liabilities	2,175,477
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Deferred Inflows of Resources

Unavailable property tax revenue	24,388,000
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Net position

Restricted for individuals, organizations and other governments	\$ 2,798,070
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See notes to financial statements.

Jones County

Jones County

Statement of Changes in Fiduciary Net Position –
Custodial Funds

June 30, 2021

Additions:	
Property and other county tax	\$ 23,087,648
911 surcharge	54,221
State tax credits	2,012,890
Office fees and collections	613,609
Auto licenses, use tax and postage	8,186,191
Assessments	35,645
Trusts	561,465
Miscellaneous	<u>929,256</u>
Total additions	<u>35,480,925</u>
Deductions:	
Agency remittances:	
To other funds	559,819
To other governments	34,842,140
Trusts paid out	<u>166,805</u>
Total deductions	<u>35,568,764</u>
Change in net position	(87,839)
Net position beginning of year, as restated	<u>2,885,909</u>
Net position end of year	<u>\$ 2,798,070</u>

See notes to financial statements.

Jones County

Notes to Financial Statements

June 30, 2021

(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. Condensed financial statements for the Jones County Solid Waste Commission are included in Note 13 to the financial statements.

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

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

The Secondary Roads Fund is used to account for the road use tax allocation from the State of Iowa, transfers from the General Fund and the Special Revenue, Rural Services Fund and other revenues to be used for secondary 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, 2019 assessed property valuations; is for the tax accrual period July 1, 2020 through June 30, 2021 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2020.

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

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

Due from 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, 2021, 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.

Asset Class	Amount
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

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, the unamortized portion of the net difference between projected and actual earnings on pension plan assets and contributions from the County after the measurement date but before the end of the County’s reporting period.

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

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

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 consists of American Rescue Plan Act unspent grant proceeds.

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, 2021. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

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

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

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

Total OPEB Liability – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on 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, Mental Health, Rural Services and Secondary Roads Funds.

Deferred Inflows of Resources – Deferred inflows of resources represents an acquisition of net position applicable to a future year(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected 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 and unrecognized items not yet charged to pension expense.

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.

(2) Cash, Cash Equivalents and Pooled Investments

The County’s deposits in banks at June 30, 2021 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, 2021 is as follows:

Receivable Fund	Payable Fund	Amount
Special Revenue:		
Secondary Roads	General	\$ 4,003
	Special Revenue:	
	Mental Health	22
Total		<u>4,025</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, 2021 is as follows:

Transfer to	Transfer from	Amount
Special Revenue:		
Secondary Roads	General	\$ 179,000
	Special Revenue:	
	Rural Services	<u>2,255,000</u>
		<u>2,434,000</u>
Capital Projects	General	<u>294,124</u>
Total		<u>\$ 2,728,124</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, 2021 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	-	-	6,191,374
Intangibles, road network	924,305	131,844	-	1,056,149
Construction in progress, road network	1,643,303	670,463	1,870,312	443,454
Construction in progress	9,249	85,906	-	95,155
Total capital assets not being depreciated/amortized	<u>8,768,231</u>	<u>888,213</u>	<u>1,870,312</u>	<u>7,786,132</u>
Capital assets being depreciated/amortized:				
Buildings	4,772,871	-	-	4,772,871
Improvements other than buildings	241,331	-	-	241,331
Equipment and vehicles	11,617,820	949,662	676,417	11,891,065
Intangibles	160,907	-	-	160,907
Infrastructure, road network	28,383,663	1,870,312	-	30,253,975
Infrastructure, other	788,360	-	-	788,360
Total capital assets being depreciated/amortized	<u>45,964,952</u>	<u>2,819,974</u>	<u>676,417</u>	<u>48,108,509</u>
Less accumulated depreciation/amortization for:				
Buildings	2,002,768	138,289	-	2,141,057
Improvements other than buildings	144,801	12,066	-	156,867
Equipment and vehicles	6,959,408	863,535	671,077	7,151,866
Intangibles, other	95,327	1,860	-	97,187
Infrastructure, road network	5,845,357	722,857	-	6,568,214
Infrastructure, other	168,868	15,767	-	184,635
Total accumulated depreciation/amortization	<u>15,216,529</u>	<u>1,754,374</u>	<u>671,077</u>	<u>16,299,826</u>
Total capital assets being depreciated/amortized, net	<u>30,748,423</u>	<u>1,065,600</u>	<u>5,340</u>	<u>31,808,683</u>
Governmental activities capital assets, net	<u>\$ 39,516,654</u>	<u>1,953,813</u>	<u>1,875,652</u>	<u>39,594,815</u>

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 132,903
Physical health and social services	1,153
Mental Health	5,821
County environment and education	77,639
Roads and transportation	1,406,897
Governmental services to residents	10,180
Administration	<u>119,781</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 1,754,374</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, 2021 is as follows:

Fund	Description	Amount
General	Services	\$ 24,797
Special Revenue:		
Secondary Roads	Services and materials	<u>386</u>
Total for governmental funds		<u>\$ 25,183</u>
Custodial:		
Agricultural Extension Education	Collections	\$ 2,423
County Assessor		48
Schools		162,567
Community Colleges		13,856
Corporations		47,811
Townships		3,605
Auto License and Use Tax		672,580
Jones County Solid Waste Management Commission		33,198
All other		<u>92,245</u>
Total for agency funds		<u>\$ 1,028,333</u>

(7) 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, 2020 the unamortized prepaid expense balance was \$9,689.

(8) Changes in Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2021 is as follows:

	Compensated Absences	Net Pension Liability	Total OPEB Liability	Total
Balance beginning of year	\$ 431,722	3,319,343	232,561	3,983,626
Increases	413,482	852,488	16,653	1,282,623
Decreases	367,347	-	6,293	373,640
Balance end of year	\$ 477,857	4,171,831	242,921	4,892,609
Due within one year	\$ 218,546	-	6,293	224,839

(9) Pension Plan

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

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

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

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

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

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

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

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

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

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

Contributions – 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 2021, 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 9.26% of covered payroll, for a total rate of 18.52%. Protection occupation members contributed 6.41% of covered payroll and the County contributed 9.61% of covered payroll, for a total rate of 16.02%.

The County's contributions to IPERS for the year ended June 30, 2021 totaled \$565,933.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2021, the County reported a liability of \$4,171,831 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2020, the County's proportion was 0.059388%, which was a decrease of 0.002066% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021 the County recognized pension expense of \$734,687. At June 30, 2021 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	\$ 13,462	107,121
Changes of assumptions	260,035	70,930
Net difference between projected and actual earnings on IPERS' investments	306,691	-
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	52,433	44,148
County contributions subsequent to the measurement date	565,933	-
Total	<u>\$ 1,198,554</u>	<u>222,199</u>

\$565,933 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. 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
2022	\$ 53,981
2023	80,545
2024	101,929
2025	177,178
2026	(3,211)
Total	<u>\$ 410,422</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2020 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, 2020 valuation were based on the results of actuarial experience study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2020 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	4.43%
International equity	17.5	5.15
Global smart beta equity	6.0	4.87
Core plus fixed income	28.0	(0.29)
Public credit	4.0	2.29
Cash	1.0	(0.78)
Private equity	11.0	6.54
Private real assets	7.5	4.48
Private credit	3.0	3.11
Total	<u>100%</u>	

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$ 7,650,776	4,171,831	1,255,261

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, 2021.

(10) 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.

(11) 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, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	3
Active employees	<u>96</u>
Total	<u>99</u>

Total OPEB Liability – The County’s total OPEB liability of \$242,921 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2019.

Actuarial Assumptions – The total June 30, 2021 OPEB liability in the July 1, 2019 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. The roll forward calculations assume all actuarial assumptions are exactly realized.

Rate of inflation	
(effective July 1, 2019)	3.00% per annum.
Rates of salary increase	3.00% per annum, including
(effective July 1, 2019)	inflation.
Discount rate	3.50% compounded annually,
(effective July 1, 2019)	including inflation.
Healthcare cost trend rate	5.00% annually
(effective July 1, 2019)	

Discount Rate – The discount rate used to measure the total OPEB liability was 3.50% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the SOA RPH-2019 total dataset mortality table fully generational using Scale MP-2019. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

The actuarial assumptions used in the July 1, 2019 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	\$ 232,561
Changes for the year:	
Service cost	8,332
Interest	8,321
Differences between expected and actual experiences	-
Changes in assumptions	-
Benefit payments	<u>(6,293)</u>
Net changes	<u>10,360</u>
Total OPEB liability end of year	<u>\$ 242,921</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 (2.50%) or 1% higher (4.50%) than the current discount rate.

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$ 261,909	242,921	225,669

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.

	1% Decrease (4.00%)	Healthcare Cost Trend Rate (5.00%)	1% Increase (6.00%)
Total OPEB liability	\$ 222,485	242,921	265,913

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2021, the County recognized OPEB expense of \$17,651. At June 30, 2021, 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	\$ 67,769	(19,463)
Changes in assumptions	5,461	-
Total	<u>\$ 73,230</u>	<u>(19,463)</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
2022	\$ 7,291
2023	7,291
2024	7,291
2025	7,291
2026	7,291
Thereafter	<u>17,312</u>
	<u>\$ 53,767</u>

(12) Tax Abatements

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

Tax Abatements of Other Entities

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2021 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	\$ 2,313
City of Monticello	Urban renewal and economic development projects	50,665

(13) Jointly Governed Organization

The County participates in the Jones County Solid Waste Management Commission, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa. Financial transactions of this organization are included in the County's financial statements as part of the Agency Funds because of the County's fiduciary relationship with the organization. The following financial statements are for the year ended June 30, 2021.

Statement of Net Position	
Assets	
Current assets:	
Cash and cash equivalents	\$ 562,336
Investments	541,809
Receivables:	
Accounts and other	32,126
Prepaid items	<u>1,586</u>
Total current assets	<u>1,137,857</u>
Noncurrent assets:	
Restricted certificates of deposit	1,002,353
Capital assets, net of accumulated depreciation	<u>694,513</u>
Total noncurrent assets	<u>1,696,866</u>
Total assets	<u>2,834,723</u>
Deferred Outflows of Resources	
Pension related deferred outflows	<u>31,053</u>
Liabilities	
Current liabilities:	
Accounts payable	47,023
Salaries and benefits payable	11,925
Due to other governments	33,198
Compensated absences payable	<u>12,736</u>
Total current liabilities	<u>104,882</u>
Non-current liabilities:	
Estimated liability for landfill closure and postclosure care	893,731
Net pension liability	<u>119,944</u>
Total non-current liabilities	<u>1,013,675</u>
Total liabilities	<u>1,118,557</u>
Deferred Inflows of Resources	
Pension related deferred inflows	<u>3,216</u>
Net position	
Net investment in capital assets	694,514
Restricted for closure and postclosure care	108,622
Unrestricted	<u>940,867</u>
Total net position	<u>\$ 1,744,003</u>

Statement of Revenues, Expenses and Changes in Net Position

Operating revenues:	
Assessments	\$ 103,630
Gate fees	762,187
Other operating revenues	<u>23,973</u>
Total operating revenues	<u>889,790</u>
Operating expenses:	
Salaries and benefits	197,270
Solid waste hauling and disposal	582,869
Depreciation	17,903
Other operating expenses	<u>135,626</u>
Total operating expenses	<u>933,668</u>
Operating loss	(43,878)
Non-operating revenues:	
Interest income	<u>39,226</u>
Change in net position	(4,652)
Net position beginning of year	<u>1,748,655</u>
Net position end of year	<u>\$ 1,744,003</u>

Statement of Cash Flows

Cash flows from operating activities:	
Cash received from gate fees	\$ 807,439
Cash received from assessments	103,630
Cash received from other operating receipts	23,973
Cash paid to employees for services	(186,348)
Cash paid to suppliers for goods and services	<u>(766,982)</u>
Net cash used by operating activities	<u>(18,288)</u>
Cash flows from investing activities:	
Purchase of certificates of deposit	(574,370)
Sale of certificates of deposit	963,334
Interest received	<u>14,984</u>
Net cash provided by investing activities	<u>403,948</u>
Net increase in cash and cash equivalents	385,660
Cash and cash equivalents beginning of year	<u>176,676</u>
Cash and cash equivalents end of year	<u>\$ 562,336</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	<u>\$ (43,878)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	17,903
Closure and postclosure care	(35,300)
Other changes in assets and liabilities	<u>42,987</u>
Total adjustments	<u>25,590</u>
Net cash used by operating activities	<u>\$ (18,288)</u>

Governmental Accounting Standards Board Statement No. 18 requires landfill owners to estimate total landfill closure and postclosure care costs and recognize a portion of these costs each year based on the percentage of estimated total landfill capacity used that period. Estimated total costs consist of four components: (1) the cost of equipment and facilities used in postclosure monitoring and care, (2) the cost of final cover (material and labor), (3) the cost of monitoring the landfill during the postclosure period and (4) the cost of any environmental cleanup required after closure. Estimated total cost is based on the cost to purchase those services and equipment currently and is required to be updated annually for changes due to inflation or deflation, technology, or applicable laws or regulations.

These costs for the Commission have been estimated at \$874,800 for postclosure as of June 30, 2021 and the portion of the liability that has been recognized is \$874,800. Assets of \$874,800 are restricted for these purposes. During the year ended June 30, 2009, the Commission stopped accepting waste at the landfill and began transferring waste to Milan, Illinois.

Chapter 455B.306(8)(b) of the Code of Iowa requires permit holders of municipal solid waste landfills to maintain separate closure and postclosure care accounts to accumulate resources for the payment of closure and postclosure care costs. The Commission has begun accumulating resources to fund these costs and, at June 30, 2021, assets of \$982,091 are restricted for these purposes. They are reported as restricted certificates of deposit in the condensed Statement of Net Position.

The total closure costs for the Commission's transfer station have been estimated at \$18,931 as of June 30, 2021 and the portion of the liability that has been recognized is \$18,931. Assets of \$18,931 are restricted for these purposes. The Commission has begun accumulating resources to fund these costs and, at June 30, 2021, assets of \$20,262 are restricted for these purposes. They are reported as restricted certificates of deposit in the condensed Statement of Net Position.

(14) Jones County Financial Information Included in the Mental Health/Disability Services of the East Central Region (MHDS-ECR)

MHDS-ECR, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa, includes the following member counties: Benton County, Bremer County, Buchanan County, Delaware County, Dubuque County, Iowa County, Jones County, Johnson County and Linn County. The financial activity of Jones County's Special Revenue, Mental Health Fund is included in the MHDS-ECR for the year ended June 30, 2021, as follows:

Revenues:		
Property and other county tax		\$ 661,270
Intergovernmental:		
State tax credits	\$ 49,814	
Payments from regional fiscal agent	<u>234,109</u>	<u>283,923</u>
Total revenues		<u>945,193</u>
Expenditures:		
Services to persons with mental illness		117,971
General administration:		
Direct administration	129,809	
Distribution to regional fiscal agent	<u>705,296</u>	<u>835,105</u>
Total expenditures		<u>953,076</u>
Excess of expenditures over revenues		(7,883)
Fund balance beginning of year		<u>222,185</u>
Fund balance end of year		<u>\$ 214,302</u>

(15) COVID-19

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

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

(16) Restatement

Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities, was implemented during fiscal year 2021. The new requirements change the definition of fiduciary activity and establish new financial reporting requirements for state and local governments which report fiduciary activity.

The restatements to retroactively report the change in net position, are as follows:

	<u>Fiduciary Activities</u>
Net position June 30, 2020, as previously reported	\$ -
Change to implement GASBS No. 84	<u>2,885,909</u>
Net position July 1, 2020, as restated	<u>\$ 2,885,909</u>

(17) Prospective Accounting Change

Governmental Accounting Standards Board has issued Statement No. 87, Leases. This statement will be implemented for the fiscal year ended June 30, 2022. The new requirements require the reporting of certain assets and liabilities which were previous not reported.

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, 2021

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	\$ 9,809,044	-	9,809,044
Interest and penalty on property tax	68,738	-	68,738
Intergovernmental	9,322,055	-	9,322,055
Licenses and permits	60,611	-	60,611
Charges for service	745,225	-	745,225
Use of money and property	245,962	-	245,962
Miscellaneous	1,120,354	25,686	1,094,668
Total receipts	21,371,989	25,686	21,346,303
Disbursements:			
Public safety and legal services	3,280,933	-	3,280,933
Physical health and social services	752,803	-	752,803
Mental health	951,729	-	951,729
County environment and education	995,893	3,521	992,372
Roads and transportation	6,610,587	-	6,610,587
Governmental services to residents	816,585	-	816,585
Administration	1,968,646	-	1,968,646
Non-program	185,514	-	185,514
Capital projects	1,846,990	-	1,846,990
Total disbursements	17,409,680	3,521	17,406,159
Excess (deficiency) of receipts over (under) disbursements	3,962,309	22,165	3,940,144
Other financing sources, net	74,766	-	74,766
Change in balances	4,037,075	22,165	4,014,910
Balance beginning of year	9,680,746	20,821	9,659,925
Balance end of year	\$ 13,717,821	42,986	13,674,835

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Actual
		Variance
9,401,768	9,560,687	248,357
42,350	27,100	41,638
7,364,924	6,659,825	2,662,230
72,426	70,805	(10,194)
635,965	629,280	115,945
280,602	258,788	(12,826)
412,515	1,000,655	94,013
<u>18,210,550</u>	<u>18,207,140</u>	<u>3,139,163</u>
3,411,325	3,428,814	147,881
854,773	855,867	103,064
971,465	966,027	14,298
3,353,891	1,371,053	378,681
7,139,295	7,080,768	470,181
838,122	846,672	30,087
1,986,880	2,078,075	109,429
113,763	238,340	52,826
1,676,977	2,140,209	293,219
<u>20,346,491</u>	<u>19,005,825</u>	<u>1,599,666</u>
(2,135,941)	(798,685)	4,738,829
20,000	20,000	54,766
(2,115,941)	(778,685)	4,793,595
9,614,802	9,634,189	25,736
<u>7,498,861</u>	<u>8,855,504</u>	<u>4,819,331</u>

Jones County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2021

	<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	\$ 21,371,989	(2,129,697)	19,242,292
Expenditures	17,409,680	(539,854)	16,869,826
Net	3,962,309	(1,589,843)	2,372,466
Other financing sources, net	74,766	(1,555)	73,211
Beginning fund balances	9,680,746	(117,375)	9,563,371
Ending fund balances	<u>\$ 13,717,821</u>	<u>(1,708,773)</u>	<u>12,009,048</u>

See accompanying independent auditor's report.

Jones County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2021

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

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments decreased budgeted disbursements by \$1,340,666. 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, 2021, disbursements did not exceed the amounts budgeted by function.

Jones County

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

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

Required Supplementary Information

	2021	2020	2019	2018
County's proportion of the net pension liability	0.059388%	0.057322%	0.057892%	0.061877%
County's proportionate share of the net pension liability	\$ 4,172	3,319	3,664	4,122
County's covered payroll	\$ 5,635	5,595	5,384	5,291
County's proportionate share of the net pension liability as a percentage of its covered payroll	74.04%	59.32%	68.05%	77.91%
IPERS' net position as a percentage of the total pension liability	82.90%	85.45%	83.62%	82.21%

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

See accompanying independent auditor's report.

2017	2016	2015
0.060335%	0.058300%	0.056897%
3,797	2,880	2,256
5,003	4,827	4,699
75.89%	59.66%	48.01%
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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ 566	534	534	487
Contributions in relation to the statutorily required contribution	<u>(566)</u>	<u>(534)</u>	<u>(534)</u>	<u>(487)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 6,011	5,635	5,595	5,384
Contributions as a percentage of covered payroll	9.42%	9.48%	9.54%	9.05%

See accompanying independent auditor's report.

2017	2016	2015	2014	2013	2012
480	455	440	429	407	389
(480)	(455)	(440)	(429)	(407)	(389)
-	-	-	-	-	-
5,291	5,003	4,827	4,699	4,568	4,637
9.07%	9.09%	9.12%	9.13%	8.91%	8.39%

Jones County

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2021

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

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

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

Jones County

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

For the Past Three Years
Required Supplementary Information

	2021	2020	2019
Service cost	\$ 8,332	8,089	7,082
Interest cost	8,321	8,108	4,984
Difference between expected and actual experiences	-	87,701	-
Changes in assumptions	-	1,006	-
Benefit payments	(6,293)	(14,417)	(4,244)
Net change in total OPEB liability	10,360	90,487	7,822
Total OPEB liability beginning of year	232,561	142,074	134,252
Total OPEB liability end of year	\$ 242,921	232,561	142,074
Covered-employee payroll	\$ 4,986,295	4,841,063	4,839,023
Total OPEB liability as a percentage of covered-employee payroll	4.9%	4.8%	2.9%

See accompanying independent auditor's report.

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

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

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

Year ended June 30, 2021	3.50%
Year ended June 30, 2020	3.50%
Year ended June 30, 2019	3.58%
Year ended June 30, 2018	3.58%
Year ended June 30, 2017	4.50%

Jones County

Supplementary Information

Jones County
 Combining Balance Sheet
 Nonmajor Governmental Funds

June 30, 2021

			Special
	County Recorder's Records Management	Special Law Enforcement Proceeds	Law Enforcement Canine
Assets			
Cash and pooled investments	\$ 28,663	1,428	15,622
Liabilities and Fund Balances			
Liabilities:			
Accounts Payable	\$ -	-	309
Fund balances:			
Restricted for other purposes	28,663	1,428	15,313
Total Liabilities and Fund Balances	\$ 28,663	1,428	15,622

See accompanying independent auditor's report.

Revenue

Resource Enhancement and Protection	Drug Abuse Resistance Education	Friends of Jones County Conservation	Total
130,310	3,408	42,986	222,417
-	-	-	309
130,310	3,408	42,986	222,108
130,310	3,408	42,986	222,417

Jones County

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

Year ended June 30, 2021

	County Recorder's Records Management	Special Law Enforcement Proceeds	Special Law Enforcement Canine
Revenues:			
Intergovernmental	\$ -	-	-
Charges for service	4,833	-	-
Use of money and property	14	-	-
Miscellaneous	-	-	4,368
Total revenues	4,847	-	4,368
Expenditures:			
Operating:			
Public safety and legal services	-	-	4,126
County environment and education	-	-	-
Governmental services to residents	1,467	-	-
Total expenditures	1,467	-	4,126
Change in fund balances	3,380	-	242
Fund balances beginning of year	25,283	1,428	15,071
Fund balances end of year	\$ 28,663	1,428	15,313

See accompanying independent auditor's report.

Revenue				
Resource Enhancement and Protection	Drug Abuse Resistance Education	Friends of Jones County Conservation		Total
12,167	-	-		12,167
-	-	-		4,833
595	-	-		609
-	3,070	25,686		33,124
12,762	3,070	25,686		50,733
-	100	-		4,226
-	-	3,521		3,521
-	-	-		1,467
-	100	3,521		9,214
12,762	2,970	22,165		41,519
117,548	438	20,821		180,589
130,310	3,408	42,986		222,108

Jones County
Combining Schedule of Fiduciary Net Position
Custodial Funds

June 30, 2021

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ -	2,423	352,213	162,567
Other County officials	6,542	-	-	-
Receivables:				
Property tax:				
Delinquent	-	206	342	13,368
Succeeding year	-	250,000	416,000	16,205,000
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Special assessments	-	-	-	-
Due from other governments	-	-	-	-
Prepaid expenses	-	-	-	-
Capital assets, net of accumulated depreciation	-	-	-	-
Total assets	6,542	252,629	768,555	16,380,935
Deferred Outflows of Resources				
Pension related deferred inflows	-	-	-	-
Liabilities				
Liabilities:				
Accounts payable	500	-	647	-
Salaries and benefits payable	-	-	18,900	-
Due to other governments	-	2,423	48	162,567
Trusts payable	6,042	-	-	-
Compensated absences	-	-	13,330	-
Net pension liability	-	-	-	-
Estimated liability for landfill closure and posclosure care	-	-	-	-
Total liabilities	6,542	2,423	32,925	162,567
Deferred Inflows of Resources				
Unavailable revenues	-	250,000	416,000	16,205,000
Pension related deferred inflows	-	-	-	-
Total deferred inflows of resources	-	250,000	416,000	16,205,000
Net Position				
Restricted for individuals, organizations and other governments	\$ -	206	319,630	13,368

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Solid Waste Management Commission	Other	Total
13,856	47,811	3,605	672,580	2,106,498	597,113	3,958,666
-	-	-	-	-	-	6,542
1,186	5,399	259	-	-	1,376	22,136
1,428,000	5,698,000	356,000	-	-	35,000	24,388,000
-	-	-	-	27,514	10,353	37,867
-	-	-	-	4,612	-	4,612
-	-	-	-	-	174,735	174,735
-	-	-	-	-	45,053	45,053
-	-	-	-	1,586	-	1,586
-	-	-	-	694,513	-	694,513
<u>1,443,042</u>	<u>5,751,210</u>	<u>359,864</u>	<u>672,580</u>	<u>2,834,723</u>	<u>863,630</u>	<u>29,333,710</u>
-	-	-	-	31,053	-	31,053
-	-	-	-	47,023	1,951	50,121
-	-	-	-	11,925	5,474	36,299
13,856	47,811	3,605	672,580	33,198	92,245	1,028,333
-	-	-	-	-	-	6,042
-	-	-	-	12,736	14,941	41,007
-	-	-	-	119,944	-	119,944
-	-	-	-	893,731	-	893,731
<u>13,856</u>	<u>47,811</u>	<u>3,605</u>	<u>672,580</u>	<u>1,118,557</u>	<u>114,611</u>	<u>2,175,477</u>
1,428,000	5,698,000	356,000	-	-	35,000	24,388,000
-	-	-	-	3,216	-	3,216
<u>1,428,000</u>	<u>5,698,000</u>	<u>356,000</u>	<u>-</u>	<u>3,216</u>	<u>35,000</u>	<u>24,391,216</u>
1,186	5,399	259	-	1,744,003	714,019	2,798,070

Jones County

Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds

Year ended June 30, 2021

Assets and Liabilities	County Offices	Agricultural Extension Education	County Assessor	Schools
Additions:				
Property and other county tax	\$ -	234,974	370,575	15,697,055
911 surcharges	-	-	-	-
State tax credits	-	17,779	28,037	1,205,730
Office fees and collections	613,609	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	176,630	-	-	-
Miscellaneous	-	-	240	-
Total additions	<u>790,239</u>	<u>252,753</u>	<u>398,852</u>	<u>16,902,785</u>
Deductions:				
Agency remittances:				
To other funds	253,425	-	-	-
To other governments	370,009	254,194	424,485	17,001,887
Trusts paid out	166,805	-	-	-
Total deductions	<u>790,239</u>	<u>254,194</u>	<u>424,485</u>	<u>17,001,887</u>
Changes in net position	-	(1,441)	(25,633)	(99,102)
Net position beginning of year, as restated	-	1,647	345,263	112,470
Net position end of year	<u>\$ -</u>	<u>206</u>	<u>319,630</u>	<u>13,368</u>

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Solid Waste Management Commission	Other	Total
1,339,201	5,086,808	322,782	-	-	36,253	23,087,648
-	-	-	-	-	54,221	54,221
102,203	638,774	18,604	-	-	1,763	2,012,890
-	-	-	-	-	-	613,609
-	-	-	8,185,728	-	463	8,186,191
-	-	-	-	-	35,645	35,645
-	-	-	-	-	384,835	561,465
-	-	-	-	929,016	-	929,256
1,441,404	5,725,582	341,386	8,185,728	929,016	513,180	35,480,925
-	-	-	306,394	-	-	559,819
1,449,816	5,780,563	342,797	7,879,334	933,668	405,387	34,842,140
-	-	-	-	-	-	166,805
1,449,816	5,780,563	342,797	8,185,728	933,668	405,387	35,568,764
(8,412)	(54,981)	(1,411)	-	(4,652)	107,793	(87,839)
9,598	60,380	1,670	-	1,748,655	606,226	2,885,909
1,186	5,399	259	-	1,744,003	714,019	2,798,070

Jones County

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

For the Last Ten Years

	2021	2020	2019	2018
Revenues:				
Property and other county tax	\$ 8,558,426	8,064,872	7,736,768	7,849,305
Local option sales tax	1,247,608	1,042,500	884,799	834,067
Interest and penalty on property tax	68,305	26,421	41,656	43,490
Intergovernmental	7,228,557	6,233,307	7,806,986	6,525,175
Licenses and permits	60,436	68,837	74,219	55,973
Charges for service	750,698	682,893	677,344	690,298
Use of money and property	241,736	347,503	338,617	258,880
Miscellaneous	1,086,526	526,776	521,275	1,066,863
Total	<u>\$ 19,242,292</u>	<u>16,993,109</u>	<u>18,081,664</u>	<u>17,324,051</u>
Expenditures:				
Operating:				
Public safety and legal services	\$ 3,309,174	3,108,388	2,979,007	2,996,084
Physical health and social services	748,550	780,697	763,300	715,706
Mental health	953,076	903,477	698,812	795,583
County environment and education	991,059	1,082,084	1,637,676	978,695
Roads and transportation	6,662,954	6,550,025	7,071,882	6,285,831
Governmental services to residents	820,210	775,571	737,428	717,962
Administration	1,979,976	1,787,845	1,790,139	1,815,971
Non-program	187,606	592,253	82,990	82,243
Debt service	-	450,482	450,000	383,021
Capital projects	1,217,221	2,724,950	2,311,687	1,874,604
Total	<u>\$ 16,869,826</u>	<u>18,755,772</u>	<u>18,522,921</u>	<u>16,645,700</u>

See accompanying independent auditor's report.

2017	2016	2015	2014	2013	2012
7,693,151	7,434,518	7,280,962	7,072,449	6,811,736	6,201,839
857,403	832,518	917,239	799,323	858,480	776,241
40,000	42,938	42,982	45,618	45,497	45,878
6,450,432	7,192,925	6,661,282	5,915,710	5,117,782	6,983,623
51,086	70,810	73,594	57,568	56,841	71,408
640,945	637,180	581,223	559,166	595,182	563,242
214,765	172,370	197,919	194,765	169,640	180,357
437,154	454,828	436,108	605,283	773,992	449,883
16,384,936	16,838,087	16,191,309	15,249,882	14,429,150	15,272,471
2,752,376	2,722,911	2,537,685	2,437,181	2,415,219	2,259,095
722,072	702,077	696,151	670,071	705,651	705,535
1,157,430	1,115,440	1,035,751	1,118,618	1,105,325	2,747,884
948,592	923,276	886,991	760,787	822,763	1,403,336
6,836,332	6,600,997	6,158,379	5,969,549	5,462,477	5,488,545
677,712	796,892	619,073	595,338	604,835	608,099
1,707,156	1,758,826	1,806,532	1,600,204	1,523,341	1,586,149
93,130	89,655	420,735	488,353	683,283	28,885
400,000	-	-	-	-	-
354,087	923,830	764,868	995,249	185,357	888,496
15,648,887	15,633,904	14,926,165	14,635,350	13,508,251	15,716,024

Schedule 6

Jones County

Schedule of Expenditures of Federal Awards

Year ended June 30, 2021

Grantor/Program	Assistance Listing Number	Agency or Pass-through Number	Program Expenditures
Indirect:			
U.S. Department of Agriculture			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	FY21	\$ 8,263
U.S. Department of Housing and Urban Development:			
Iowa Economic Development Authority:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	20-OT-017	7,106
U.S. Department of Justice:			
Governor's Office of Drug Control Policy:			
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838	Grant #19-COAP-03	88,426
U.S. Department of Transportation:			
East Central Iowa Council of Governments:			
Formula Grants for Rural Areas and Tribal Transit Program	20.509	FY21	318,099
Iowa Department of Public Safety:			
State and Community Highway Safety	20.600	PAP 21-402-MOPT	3,000
U.S. Department of Treasury:			
Iowa Department of Revenue:			
COVID-19, Coronavirus Relief Fund	21.019	GOV0064	382,331
U.S. Election Assistance Commission:			
Iowa Secretary of State:			
HAVA Election Security Grants	90.404		6,801
U.S. Department of Health and Human Services:			
Iowa Department of Public Health:			
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	5885BT453	49,942
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Title IV-E Prevention Program	93.472		423
Foster Care Title IV-E	93.658		2,167
Adoption Assistance	93.659		1,062
Social Services Block Grant	93.667		1,974
Children's Health Insurance Program	93.767		175
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		1,808
Medicaid Cluster:			
Medical Assistance Program	93.778		7,177
U.S. Department of Homeland Security:			
Iowa Department of Homeland Security and Emergency Management:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4557	299,643
Total			\$ 1,178,397

Jones County

Schedule of Expenditures of Federal Awards

Year ended June 30, 2021

Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Jones County under programs of the federal Revigovernment for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Jones County, it is not intended to and does not present the financial position, changes in financial position or cash flows of Jones County.

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

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

See accompanying independent auditor's report.



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

To the Officials of Jones County:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Jones County, Iowa, as of and for the year ended June 30, 2021, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 20, 2022.

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 as a basis for designing audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jones County's internal control. Accordingly, we do not express an opinion on the effectiveness of Jones County's internal control.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of Jones County's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items II-A-21 and II-B-21 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items II-C-21 and II-D-21 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jones County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the 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 non-compliance or other matters which are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2021 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 the Findings

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

Purpose of this Report

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

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



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

April 20, 2022



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

To the Officials of Jones County:

Report on Compliance for Each Major Federal Program

We have audited Jones County, Iowa's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on its major federal programs for the year ended June 30, 2021. Jones County's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Jones County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jones County's compliance with those requirements and performing such other procedures we considered necessary in the circumstances.

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

Opinion on the Major Federal Programs

In our opinion, Jones County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2021.


Report on Internal Control Over Compliance

The management of Jones County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Jones County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal programs to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal programs and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Jones County's internal control over compliance.

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

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

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



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

April 20, 2022

Jones County
Schedule of Findings and Questioned Costs
Year ended June 30, 2021

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

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- (b) Significant deficiencies and material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over the major programs were identified.
- (e) An unmodified opinion was issued on compliance with requirements applicable to the major programs.
- (f) The audit disclosed no audit findings which are required to be reported in accordance with the Uniform Guidance, Section 200.516.
- (g) The major programs were Assistance Listing Number 21.019 – COVID-19, Coronavirus Relief Fund and 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters).
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Jones County did not qualify as a low-risk auditee.

Jones County

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

PART II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

II-A-21 Segregation of Duties
(2021-001)

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 –

Conservation – Generally, one individual in the Conservation Office may have control over collecting, depositing and reconciling receipts.

Solid Waste Commission – Generally, one individual has control over account billings, collections, deposit preparation and reconciliation functions. Additionally, incoming mail is not opened by an employee who is not authorized to make entries to the accounting records.

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

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

Recommendation – 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.

Jones County

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

Responses –

Conservation – In order to further minimize this concern, the Director plans to perform random spot checks of envelopes placed in campground deposit boxes. This should help ensure all envelopes and revenue picked up by the Resource Manager/Park Ranger are accounted for.

Solid Waste Commission – We will review our operating procedures to obtain the maximum internal controls possible. The accounts receivable reconciliations are presented monthly and approved at the Commission meetings.

Conclusions – Responses accepted.

II-B-21 Segregation of Duties – Friends of Jones County Conservation and Nature Center
(2021-002) (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.

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.

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

Conclusions – Response accepted.

Jones County

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

II-C-21
(2021-003) 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 their assigned functions, to prevent, or detect and correct, misstatements of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the County’s financial statements.

Condition – Certain receivables were not recorded to the proper fiscal year on the County’s financial statements.

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

Effect – Lack of policies and procedures resulted in the County employees not detecting the error in the normal course of performing their assigned functions.

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

Response – The Auditor will review end of year accrual reminders with department heads. In addition, the auditor will at least bi-weekly review all transactions during the accrual period to make sure all were properly reported and classified.

Conclusion – Response accepted.

II-D-21
(2021-004) Solid Waste Commission Accounts Receivable

Criteria – An effective internal control system provides for internal controls related to reconciling billings, collections and accounts receivable to ensure the accuracy of Solid Waste Commission’s collections and receivables.

Condition – A monthly reconciliation of billings, collections, and accounts receivable is not performed nor reviewed by an independent person. In addition, ending accounts receivable was understated due to a customer billing not entered as receivable when invoiced.

Cause – Policies have not been established and procedures have not been implemented by the Solid Waste Commission to reconcile billings, collections and receivables.

Effect – This condition could result in unrecorded or misstated Solid Waste Commissions revenues and receivables.

Jones County

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

Recommendations – The Solid Waste Commission should reconcile its billings, collections, and accounts receivable, and this reconciliation should be reviewed by an independent person. The independent reviewer should sign or initial and date the reconciliation. Any variance or other discrepancies should be investigated and corrected.

Response – The accounts receivables reconciliations will be presented monthly and approved at the Commission’s meetings. The Board will sign the accounts receivable reconciliations.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted

Jones County

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCE OF NON-COMPLIANCE:

No matters were noted

INTERNAL CONTROL DEFICIENCIES:

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

Jones County

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-21 Certified Budget – Disbursements during the year ended June 30, 2021 did not exceed the amounts budgeted by function.
- IV-B-21 Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- IV-C-21 Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- IV-D-21 Business Transactions – Business transactions between the County and County officials or employees are detailed as follows:

Vendor and County Connection	Transaction Description	Amount
K Sulzner Construction, owner is Spouse of the County Auditor	Equipment delivery and rental	\$ 480
WM Burger Son works for County Engineer	Land survey	3,758
Regina Engelbart County employee	Laundry services	15

The above 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 each employee, Board member, or spouse were less than \$6,000 during the fiscal year.

- IV-E-21 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.
- IV-F-21 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.
- IV-G-21 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-H-21 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the County’s investment policy were noted.
- IV-I-21 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).

Jones County

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

IV-J-21 Financial Assurance – The Jones County Solid Waste Management Commission has demonstrated financial assurance for closure and postclosure care by establishing a local government dedicated fund as provided in Chapter 567-113.14(6) of the Iowa Administrative Code. The calculation is made as follows:

Total estimated costs for closure and postclosure care	<u>\$ 893,731</u>
Amount the Commission has restricted and reserved for closure and postclosure care at June 30, 2021	<u>\$ 1,002,353</u>

Jones County

Staff

This audit was performed by:

Ernest H. Ruben, Jr., CPA, Deputy
Gwen D. Fangman, CPA, Manager
Jesse J. Harthan, Senior Auditor II
Noelle M. Johnson, Senior Auditor
William J. Sallen, CPA, Staff Auditor
William R. Bamber, CPA, Staff Auditor
Jared M. Ernst, Assistant Auditor