Woodbury County Financial Policies

The Woodbury County Board of Supervisors is adopted the financial policies as presented below. Policies would be reviewed and revised periodically, as recommended by the Finance/ Budget Manager. The County will be in compliance with all of its adopted financial policies.

Accounting, Auditing and Financial Reporting

Specific Objective:

To establish and maintain the highest standard of financial accounting, reporting and auditing.

Policy Statements:

1. Woodbury County (the "County") will maintain an accounting system that will enable the presentation of financial statements in conformity with Generally Accepted Financial Reporting Principles (GAAP)

2. The County will obtain an annual audit of its financial statements in accordance with Generally Accepted Auditing Standards (GAAS). The County will utilize an independent auditing firm, which is periodically selected. The financial results will be published annually in the Comprehensive Annual Financial Report (CAFR).

3. The CAFR will be submitted annually to the Government Finance Officers Association for evaluation.

4. An effective internal control structure will be maintained and annually reviewed by the Finance/Budget Manager.

5. Periodically, the County will review its capitalization threshold policies to determine their applicability to the current financial environment.

6. Periodically, the County will perform a random physical inventory of its capital assets.

Budget and Financial Management

Specific Objective:

To maintain the integrity of the County's finances through effective financial planning.

Policy Statements:

1. Department budgets shall be adopted based on the application of a percentage of the prior year approved budget of expenditures. The percentage will be based on estimated valuation, valuation rollback, projected cost of labor and the projected state and local governmental price index.

2. New or expanded services will not be implemented if inclusion of the service results in the departmental budget exceeding net guidelines unless specifically authorized by the Board of Supervisors.

3. The County will require a Financial Statement from all agencies that request funding from the County.

4. The mental health appropriation will be in accordance with Iowa Code section 331.438, less the amount of property tax relief to be received pursuant to section 426B(2).

5. Budget versus actual operating statements will be distributed monthly to departments.

6. Budget documentation will include a concise summary and guide to key issues for both the operating and capital budgets.

7. A balanced budget will be adopted. A balanced budget requires that general fund operating revenues should be sufficient to support operating expenditures without use of fund balance. Cash reserves can be used at the discretion of the Board of Supervisors.

8. The County will endeavor to maintain diversified and stable revenue sources.

9. A review of user fees and charges for services will be made periodically to determine that an appropriate level is maintained, in terms of comparability and cost to provide service.

10. The County will annually adopt a five-year capital program.

11. The County will maintain general fund cash reserves at a level determined as sufficient to provide working capital for general governmental operations, at 20% of general fund annual expenditures.

12. Governmental funds, except for the general fund, will have reserves sufficient to cover all direct and indirect costs, including an allowance for deprecation over the long term.

13. All internal service funds will be expected to maintain revenues sufficient to cover all direct and indirect costs, including an allowance for depreciation over the long term.

14. Long-term debt proceeds shall not provide for current operating expenditures.

15. The County shall adopt procedures and thresholds related to the purchase of goods and services subject to period review by the Board of Supervisors.

Capital Improvement Budget Policy

Specific Objective:

The County will establish an annual budget for the purpose of maintaining its infrastructure.

Policy Statements:

1. The County will make capital improvements in accordance with the adopted Capital Improvement Program (CIP), except for unanticipated capital improvements approved by the Board of Supervisors.

2. Physical assets will be maintained at a level determined as sufficient to protect the County's capital investment and minimize future maintenance and replacement costs.

3. A five-year capital improvement plan will be developed and updated annually.

4. The county will appropriate no less than $600,000 annually in the capital projects fund.

5. Estimated costs of each capital improvement will be identified in the plan.

6. Future operating cost projections associated with the capital improvement will be included in the CIP budget request.

7. The County will make road improvements in accordance with the adopted road construction plan.

Debt Management

Specific Objective:

To raise capital, **maintain a sound debt position and protect the County's credit quality.**

Policy Statements:

1. The County may access the capital markets to finance infrastructure projects and capital equipment.

2. The County will not exceed its legal debt margin of five per cent of actual valuation.

3. Financing alternatives include general obligation bonds, revenue bonds and capital leases.

4. Maturities of the debt will be set equal to or less than the useful life of the project or equipment.

5. When possible, the new debt issuance will be wrapped around existing debt to avoid spikes in debt service requirements.

6. Redemption provisions, including mandatory and optional call features, will be an issuance consideration.

7. The County shall determine appropriate use of credit enhancements such as insurance or letters of credit to assure market attraction.

8. The County will publish an official statement for all general obligation bond issues.

9. The County will obtain a rating on each bond issue in excess of $1.0 million.

10. The County will strive to maintain the highest credit rating that its criteria will support.

11. The authorized method of sale will be on a competitive basis.

12. An independent financial advisory firm and bond counsel will be retained on the basis of qualifications and experience with state of Iowa's statute.

13. Refundings will be analyzed both internally by staff and externally by the financial advisor to determine net present value benefit opportunities.

14. The County will file an annual report for continuing disclosure as well as report any material events on a periodic basis.

15. The County will be in compliance with all federal tax law provisions involving debt issuance including arbitrage rebate reporting requirements.

16. Capital planning will be integrated with debt financing activities.