



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

NEWS RELEASE

FOR RELEASE _____ **March 21, 2003** _____ **Contact: Andy Nielsen**
515/281-5515

The Office of Auditor of State today released an audit report on Crawford County, Iowa.

The County had local tax revenue of \$16,084,035 for the year ended June 30, 2002, which included \$1,141,014 in tax credits from the state. The County forwarded \$11,245,935 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$4,838,100 of the local tax revenue to finance County operations, a less than one percent change from the prior year. Other revenues included \$5,497,945 from the state, including indirect federal funding, \$917,148 from direct federal grants and entitlements, \$456,734 from local option sales tax and \$175,340 in interest on investments.

Expenditures for County operations totaled \$13,533,283, a seven percent increase from the prior year. Expenditures included \$4,445,726 for roads and transportation, \$1,791,490 for physical health and education and \$1,776,660 for mental health.

A copy of the audit report is available for review in the office of the Auditor of State and the County Auditor's office.

###

CRAWFORD COUNTY
INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2002

Table of Contents

		<u>Page</u>
Officials		3
Independent Auditor's Report		5-6
General Purpose Financial Statements:	<u>Exhibit</u>	
Combined Balance Sheet – All Fund Types and Account Groups	A	8-11
Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types and Expendable Trust Funds	B	13
Comparison of Receipts, Disbursements and Changes in Balances - Actual to Budget (Cash Basis) – All Governmental Fund Types and Expendable Trust Funds	C	14-15
Statement of Revenues, Expenses and Changes in Retained Earnings (Deficit) – Proprietary Fund Type	D	16
Statement of Cash Flows – Proprietary Fund Type	E	17
Notes to Financial Statements		18-29
Supplemental Information:	<u>Schedule</u>	
General Fund:		
Statement of Revenues, Expenditures and Changes in Fund Balance	1	32-33
Statement of Expenditures	2	34-37
Special Revenue Funds:		
Combining Balance Sheet	3	38-39
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	4	40-47
Trust and Agency Funds:		
Combining Balance Sheet	5	48
Combining Balance Sheet – Expendable Trust Funds	6	49
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Expendable Trust Funds	7	51
Combining Balance Sheet – Agency Funds	8	52-55
Combining Statement of Changes in Assets and Liabilities - Agency Funds	9	56-59
Comparison of Taxes and Intergovernmental Revenues	10	60
Schedule of Expenditures of Federal Awards	11	61-63
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting		65-66
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance		69-70
Schedule of Findings and Questioned Costs		71-77
Staff		78

Crawford County

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
G. Dean Hargens	Board of Supervisors	Jan 2003
Robert Lohrmann	Board of Supervisors	Jan 2003
John P. Lawler	Board of Supervisors	Jan 2005
Mark Segebart	Board of Supervisors	Jan 2005
Michael Goodin	Board of Supervisors	Jan 2005
Cecilia M. Fineran	County Auditor	Jan 2005
Allen E. Hansohn	County Treasurer	Resigned
Judith E. Groth	County Treasurer	Jan 2003
Denise Meeves	County Recorder	Jan 2003
Thomas Hogan	County Sheriff	Jan 2005
Thomas E. Gustafson	County Attorney	Jan 2003
Duane Zenk	County Assessor	Jan 2004

Crawford County



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

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

Independent Auditor's Report

To the Officials of Crawford County:

We have audited the accompanying general purpose financial statements, listed as exhibits in the table of contents of this report, of Crawford County, Iowa, as of and for the year ended June 30, 2002. These general purpose financial statements are the responsibility of Crawford County's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Crawford County at June 30, 2002, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with U.S. generally accepted accounting principles. Also, the Comparison of Receipts, Disbursements and Changes in Balances - Actual to Budget (Cash Basis) presents fairly, in all material respects, the cash transactions and the legally adopted budget of the governmental fund types and expendable trust funds of Crawford County for the year ended June 30, 2002.

As discussed in Note 10 to the financial statements, Crawford County intends to implement Governmental Accounting Standards Board (GASB) Statement Number 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments; Statement Number 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus; and Statement Number 38, Certain Financial Statement Note Disclosures, for the fiscal year ending June 30, 2003. The effects of these statements are expected to significantly impact the presentation of the County's financial statements and related notes in the year of implementation. The revised requirements will include the use of the economic resources measurement focus and full accrual accounting, as well as an analytical overview of the County's financial activities in the Management's Discussion and Analysis introduction to the basic financial statements.

In accordance with Government Auditing Standards, we have also issued our reports dated December 12, 2002 on our consideration of Crawford County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the general purpose financial statements for the three years ended June 30, 2001 (none of which are presented herein) and expressed an unqualified opinion on those financial statements. The supplemental information included in Schedules 1 through 11, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in our audit of the aforementioned financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

December 12, 2002

Financial Statements

Crawford County
 Combined Balance Sheet
 All Fund Types and Account Groups
 June 30, 2002

	Governmental Fund Types		Proprietary Fund Type
	General	Special Revenue	Internal Service
Assets and Other Debits			
Cash and pooled investments:			
County Treasurer	\$ 2,643,729	2,214,533	5,924
Other County officials	-	-	-
Crawford County Area Solid Waste Commission	-	-	-
Receivables:			
Property tax:			
Delinquent	6,194	3,367	-
Succeeding year	1,820,000	2,061,000	-
Interest and penalty on property tax	46,344	-	-
Accounts	46,907	4,696	-
Accrued interest	27,175	-	-
Special assessments	-	-	-
Due from other funds (note 4)	26,734	1,137	-
Due from other governments	316,125	444,210	-
Inventories	-	1,556,229	-
Prepaid insurance	111,987	29,716	-
Property and equipment (note 3)	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-
Total assets and other debits	\$ 5,045,195	6,314,888	5,924

Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-Term Debt	
960,975	-	-	5,825,161
42,326	-	-	42,326
1,558,504	-	-	1,558,504
33,366	-	-	42,927
10,455,100	-	-	14,336,100
-	-	-	46,344
90,111	-	-	141,714
27,317	-	-	54,492
58,000	-	-	58,000
3,168	-	-	31,039
-	-	-	760,335
-	-	-	1,556,229
8,739	-	-	150,442
-	9,790,421	-	9,790,421
-	-	157,581	157,581
13,237,606	9,790,421	157,581	34,551,615

Crawford County

Combined Balance Sheet

All Fund Types and Account Groups

June 30, 2002

	Governmental Fund Types		Proprietary Fund Type
	General	Special Revenue	Internal Service
Liabilities, Fund Equity and Other Credits			
Liabilities:			
Accounts payable	\$ 151,346	501,736	7,552
Salaries and benefits payable	55,611	102,625	-
Due to other funds (note 4)	-	-	-
Due to other governments (note 5)	147,993	159,411	-
Capital lease purchase agreement (note 6)	-	-	-
Trusts payable	-	-	-
Deferred revenue:			
Succeeding year property tax	1,820,000	2,061,000	-
Other	95,830	79,984	-
Compensated absences	26,648	31,049	-
Total liabilities	2,297,428	2,935,805	7,552
Fund equity and other credits:			
Investment in general fixed assets	-	-	-
Unreserved retained earnings (deficit)	-	-	(1,628)
Fund balances:			
Reserved for:			
Supplemental levy purposes	668,570	2,608	-
Inventories	-	1,556,229	-
Prepaid insurance	111,987	29,716	-
Unreserved:			
Designated for capital projects	175,000	-	-
Undesignated	1,792,210	1,790,530	-
Total fund equity and other credits	2,747,767	3,379,083	(1,628)
Total liabilities, fund equity and other credits	\$ 5,045,195	6,314,888	5,924

See notes to financial statements.

Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-Term Debt	
Trust and Agency			
25,958	-	-	686,592
13,218	-	-	171,454
31,039	-	-	31,039
13,139,027	-	-	13,446,431
-	-	6,231	6,231
7,773	-	-	7,773
-	-	-	3,881,000
-	-	-	175,814
16,228	-	151,350	225,275
13,233,243	-	157,581	18,631,609
-	9,790,421	-	9,790,421
-	-	-	(1,628)
-	-	-	671,178
-	-	-	1,556,229
-	-	-	141,703
-	-	-	175,000
4,363	-	-	3,587,103
-	4,363	9,790,421	15,920,006
13,237,606	9,790,421	157,581	34,551,615

Crawford County

Crawford County

Combined Statement of Revenues, Expenditures and
Changes in Fund Balances – All Governmental Fund Types
and Expendable Trust Funds

Year ended June 30, 2002

	Governmental Fund Types		Fiduciary Fund Type	Total (Memorandum Only)
	General	Special Revenue	Expendable Trust	
Revenues:				
Property and other County tax	\$ 2,311,694	2,654,460	-	4,966,154
Interest and penalty on property tax	40,379	-	-	40,379
Intergovernmental	2,826,891	4,215,153	-	7,042,044
Licenses and permits	11,933	140	-	12,073
Charges for service	485,283	6,613	-	491,896
Use of money and property	190,043	24,213	314	214,570
Miscellaneous	57,192	60,433	200	117,825
Total revenues	5,923,415	6,961,012	514	12,884,941
Expenditures:				
Operating:				
Public safety	1,120,171	8,872	-	1,129,043
Court services	74,052	-	-	74,052
Physical health and education	1,751,990	39,500	-	1,791,490
Mental health	-	1,776,660	-	1,776,660
Social services	719,019	-	-	719,019
County environment	564,352	330,750	-	895,102
Roads and transportation	-	4,445,726	-	4,445,726
State and local government services	400,483	-	-	400,483
Interprogram services	1,714,646	3,630	-	1,718,276
Non-program	-	1,273	-	1,273
Capital projects	14,814	559,050	8,295	582,159
Total expenditures	6,359,527	7,165,461	8,295	13,533,283
Deficiency of revenues under expenditures	(436,112)	(204,449)	(7,781)	(648,342)
Other financing sources (uses):				
Sale of general fixed assets	4,309	161,383	-	165,692
Operating transfers in	-	1,256,000	4,886	1,260,886
Operating transfers out	(97,886)	(1,163,000)	-	(1,260,886)
Total other financing sources (uses)	(93,577)	254,383	4,886	165,692
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(529,689)	49,934	(2,895)	(482,650)
Fund balances beginning of year	3,246,313	3,385,291	7,258	6,638,862
Increase (decrease) in reserve for:				
Inventories	-	(55,865)	-	(55,865)
Prepaid insurance	31,143	(277)	-	30,866
Fund balances end of year	\$ 2,747,767	3,379,083	4,363	6,131,213

See notes to financial statements.

Crawford County

Comparison of Receipts, Disbursements and
Changes in Balances - Actual to Budget (Cash Basis)
All Governmental Fund Types and Expendable Trust Funds

Year ended June 30, 2002

	Actual	Less Funds Not Required to be Budgeted
Receipts:		
Property and other County tax	\$ 4,978,009	-
Interest and penalty on property tax	40,294	-
Intergovernmental	7,042,180	-
Licenses and permits	12,072	-
Charges for service	482,205	-
Use of money and property	193,634	-
Miscellaneous	124,463	6,375
Total receipts	12,872,857	6,375
Disbursements:		
Public safety	1,125,968	-
Court services	70,218	-
Physical health and education	1,788,980	-
Mental health	1,780,818	-
Social services	707,076	-
County environment	1,044,910	-
Roads and transportation	4,410,314	-
State and local government services	396,106	-
Interprogram services	1,639,345	-
Non-program	1,273	1,273
Capital projects	492,076	-
Total disbursements	13,457,084	1,273
Excess (deficiency) of receipts over (under) disbursements	(584,227)	5,102
Other financing sources, net	165,692	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(418,535)	5,102
Balance beginning of year	5,281,144	8,431
Balance end of year	\$ 4,862,609	13,533

See notes to financial statements.

Net	Amended Budget	Variance - Favorable (Unfavorable)	Actual as % of Amended Budget
4,978,009	4,926,227	51,782	101%
40,294	21,600	18,694	187%
7,042,180	8,754,796	(1,712,616)	80%
12,072	10,750	1,322	112%
482,205	746,645	(264,440)	65%
193,634	341,917	(148,283)	57%
118,088	79,115	38,973	149%
<u>12,866,482</u>	<u>14,881,050</u>	<u>(2,014,568)</u>	<u>86%</u>
1,125,968	1,191,433	65,465	95%
70,218	124,550	54,332	56%
1,788,980	1,926,926	137,946	93%
1,780,818	1,998,992	218,174	89%
707,076	1,034,130	327,054	68%
1,044,910	1,090,382	45,472	96%
4,410,314	4,746,500	336,186	93%
396,106	420,409	24,303	94%
1,639,345	2,738,812	1,099,467	60%
-	-	-	
492,076	893,395	401,319	55%
<u>13,455,811</u>	<u>16,165,529</u>	<u>2,709,718</u>	<u>83%</u>
(589,329)	(1,284,479)		
<u>165,692</u>	<u>1,750</u>		
(423,637)	(1,282,729)		
<u>5,272,713</u>	<u>3,951,580</u>		
<u>4,849,076</u>	<u>2,668,851</u>		

Exhibit D

Crawford County
Statement of Revenues, Expenses
and Changes in Retained Earnings (Deficit)

Proprietary Fund Type

Year ended June 30, 2002

	<u>Internal Service - Employee Group Health</u>
Operating revenues:	
Contributions and reimbursements from operating funds	\$ 50,875
Miscellaneous	1,379
Total operating revenues	<u>52,254</u>
Operating expenses:	
Medical and health services	50,911
Accounting, auditing and clerical	6,989
Total operating expenses	<u>57,900</u>
Operating loss	(5,646)
Non-operating revenues:	
Interest income	66
Net loss	<u>(5,580)</u>
Retained earnings beginning of year	<u>3,952</u>
Retained earnings (deficit) end of year	<u><u>\$ (1,628)</u></u>

See notes to financial statements.

Crawford County
Statement of Cash Flows
Proprietary Fund Type
Year ended June 30, 2002

	Internal Service - Employee Group Health
Cash flows from operating activities:	
Cash received from operating fund reimbursements and miscellaneous	\$ 52,254
Cash payments to suppliers for services and other	(50,348)
Net cash provided by operating activities	1,906
Cash flows from investing activities:	
Interest on investments	66
Net increase in cash	1,972
Cash beginning of year	3,952
Cash end of year	\$ 5,924
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (5,646)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Changes in asset and liabilities:	
Increase in accounts payable	7,552
Net cash provided by operating activities	\$ 1,906

See notes to financial statements.

Crawford County

Notes to Financial Statements

June 30, 2002

(1) Summary of Significant Accounting Policies

Crawford 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.

A. Reporting Entity

For financial reporting purposes, Crawford County has included all funds, organizations, account groups, 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 Crawford County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

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

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

Related Organizations – The County Board of Supervisors are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The Board of Supervisors appoint three of the five members to the board of the Crawford County Area Solid Waste Agency Commission. An audit of this Commission has been completed and filed under separate cover. Financial transactions of this organization is included in the County's financial statements only to the extent of the County's fiduciary relationship with the Commission and, as such, are reported in an Agency Fund of the County.

Jointly Governed Organizations – The County also 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: Crawford County Assessor's Conference Board, Crawford County Joint E911 Service Board and Crawford County Emergency Management Services Commission. 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 an Agency Fund of the County.

B. Fund Accounting

The accounts of the County are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balances, revenues and expenditures or expenses. The various funds and account groups and their designated purposes are as follows:

Governmental Funds

General Fund – The General Fund is the general operating fund of the County. All general tax revenues and other receipts that are 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 expenses, the fixed charges and the capital improvement costs that are not paid from other funds.

Special Revenue Funds – The Special Revenue Funds are used to account for revenues derived from specific sources which are usually required by law or regulation to be accounted for in separate funds.

Proprietary Fund

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

Fiduciary Funds

Trust Funds – The Trust Funds are used to account for assets held by the County in a trustee capacity. These include Expendable Trust Funds which are accounted for in essentially the same manner as Governmental Funds.

Agency Funds – The Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds. Agency Funds are custodial in nature, assets equal liabilities, and do not involve measurement of results of operations.

Account Groups

General Fixed Assets – This account group is established to account for the general fixed assets of the County.

General Long-Term Debt – This account group is established to account for long-term debt of the County. Long-term liabilities expected to be financed from Governmental Funds are accounted for in this account group, not in the Governmental Funds.

C. Measurement Focus

Governmental Funds and Expendable Trust Funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance is considered a measure of "available spendable resources." Governmental Fund and Expendable Trust Fund operating statements present increases, revenues and other financing sources, and decreases, expenditures and other financing uses in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Proprietary Funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and liabilities, whether current or non-current, associated with their activity are included on their balance sheets. Their reported fund equity, net total assets, is reported as retained earnings. Proprietary Fund type operating statements present increases (revenue) and decreases (expenses) in net total assets.

In reporting the financial activity of its proprietary funds, the County applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds and Expendable Trust Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when they become both measurable and available. Available means collectible within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred, except for unmatured interest on general long-term debt, which is recognized when due. Disbursements for the purchase of assets providing future benefits are recorded as expenditures at the time of purchase.

Property taxes, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

All Proprietary Funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred.

The assets and liabilities of the Agency Funds are accounted for using the modified accrual basis of accounting.

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.

E. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the combined balance sheet:

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

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

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that 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 deferred 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 1^{1/2} % per month penalty for delinquent payments; is based on January 1, 2000 assessed property valuations; is for the tax accrual period July 1, 2001 through June 30, 2002 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March, 2001.

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 have not been collected.

Special Assessments Receivable - Special assessments receivable represent amounts assessed to individuals for work done that benefit their property. These assessments are payable by individuals in not less than 10 nor more than 20 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 are due and payable 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 that certain transactions between funds had not been paid or received as of June 30, 2002, balances of interfund amounts receivable or payable have been recorded.

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 in the Special Revenue Funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. Reported inventories are equally offset by a fund balance reserve which indicates that they are not available to liquidate current obligations.

General Fixed Assets - General fixed assets are recorded as expenditures in the Governmental Funds and are capitalized (recorded and accounted for) in the General Fixed Assets Account Group. Assets in this account group are recorded at historical cost or estimated historical cost where historical cost is not available. Assets acquired by gift are accounted for at fair market value at the date of the gift. The General Fixed Assets Account Group excludes public domain or "infrastructure" general fixed assets such as roads, bridges, curbs, gutters, streets, sidewalks and similar assets that are immovable and of value only to the government.

In accordance with standards set forth by the Governmental Accounting Standards Board, depreciation expense is not recorded on the balance sheet for general fixed assets. At the time an asset is removed from service, the cost is removed from the General Fixed Assets Account Group. Maintenance and repairs are recorded as expenditures in the Governmental Funds as incurred and are not capitalized.

During the year ended June 30, 2002, no interest costs were capitalized since the County's policy is not to capitalize interest costs on assets constructed or acquired with tax-exempt debt paid for from annual debt service tax levies.

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 represent amounts due to others which are held by various County officials in fiduciary capacities until the underlying legal matters are resolved.

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds, the succeeding year property tax receivable as well as delinquent property tax receivables and other receivables not collected within sixty days after year end.

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. Accumulated sick leave is paid to employees, not to exceed \$2,000, who have applied for retirement benefits under the Iowa Public Employees Retirement System. For the Agency Funds, these accumulations are recorded as liabilities in the year earned. In the Governmental Funds, the cost of vacation and sick leave payments expected to be liquidated currently are recorded as liabilities of the Governmental Fund. A liability has been recorded in the General Long-Term Debt Account Group representing the County's commitment to fund non-current compensated absences. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2002.

F. Budgets and Budgetary Accounting

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except blended component units, internal service 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 12 major classes of expenditures known as service areas, not by fund or fund type. These 12 service areas are: public safety, court services, physical health and education, mental health, social services, county environment, roads and transportation, state and local government services, interprogram services, non-program, debt service and capital projects. Service area disbursements required to be budgeted include disbursements for the general fund, special revenue funds and expendable trust funds. Although the budget document presents service area disbursements by fund, the level of control is at the aggregated service area level, not at the fund or fund type level. Legal budgetary control is also based upon the appropriation to each office or department.

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 E911 System by the Joint E911 Service Board, and for Emergency Management Services by the County Emergency Management Commission.

Exhibit C is a comparison of cash basis receipts, disbursements and changes in balances with the cash basis budget, which is legally controlled by service area, not fund type. Operations and ending fund balances on the cash and modified accrual basis have been reconciled as follows:

	Governmental Fund Types					
	General			Special Revenue		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 5,902,032	21,383	5,923,415	6,970,302	(9,290)	6,961,012
Expenditures	6,308,939	50,588	6,359,527	7,139,850	25,611	7,165,461
Net	(406,907)	(29,205)	(436,112)	(169,548)	(34,901)	(204,449)
Other financing sources (uses)	(93,577)	-	(93,577)	254,383	-	254,383
Beginning fund balances	3,144,213	102,100	3,246,313	2,129,698	1,255,593	3,385,291
Increase (decrease) in reserve for:						
Inventories	-	-	-	-	(55,865)	(55,865)
Prepaid insurance	-	31,143	31,143	-	(277)	(277)
Ending fund balances	\$ 2,643,729	104,038	2,747,767	2,214,533	1,164,550	3,379,083

	Fiduciary Fund Type					
	Expendable Trust			Total		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 523	(9)	514	12,872,857	12,084	12,884,941
Expenditures	8,295	-	8,295	13,457,084	76,199	13,533,283
Net	(7,772)	(9)	(7,781)	(584,227)	(64,115)	(648,342)
Other financing sources (uses)	4,886	-	4,886	165,692	-	165,692
Beginning fund balances	7,233	25	7,258	5,281,144	1,357,718	6,638,862
Increase (decrease) in reserve for:						
Inventories	-	-	-	-	(55,865)	(55,865)
Prepaid insurance	-	-	-	-	30,866	30,866
Ending fund balances	\$ 4,347	16	4,363	4,862,609	1,268,604	6,131,213

G. Total (Memorandum Only)

The total column on the combined balance sheet and the combined statement of revenues, expenditures and changes in fund balances is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with U.S. generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

(2) Cash and Pooled Investments

The County's deposits at June 30, 2002 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 insure 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's investments are categorized to give an indication of the level of risk assumed by the County at year end. The County's investments are all Category 1 which means that the investments are insured or registered or the securities are held by the County or its agent in the County's name.

The County's investments at June 30, 2002 are as follows:

Type	Fair Value
U.S. Government securities:	
GNMA	\$ 7,067

In addition, the County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$703,659 pursuant to Rule 2a-7 under the Investment Company Act of 1940 and are not subject to risk categorization.

(3) Property and Equipment

A summary of property and equipment comprising general fixed assets at June 30, 2002, is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Land	\$ 530,075	65,000	-	595,075
Buildings	1,525,993	26,318	-	1,552,311
Equipment	7,277,482	940,741	575,188	7,643,035
Total	\$ 9,333,550	1,032,059	575,188	9,790,421

(4) Due from and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2002 is as follows:

Receivable Fund	Payable Fund	Amount
General	Trust and Agency: County Recorder County Sheriff	\$ 24,119 2,615
Special Revenue: County Recorder's Records Management	Trust and Agency: County Recorder	1,137
Trust and Agency: Ground Water Protection	Sanitation Disposal District	3,168
Total		<u>\$ 31,039</u>

(5) Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. The Agency Fund collections also include accruals of property tax for the succeeding year. The tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments is as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
General	Services	<u>\$ 147,993</u>
Special Revenue:		
Mental Health	Services	158,329
Secondary Roads		1,058
Resource Enhancement and Protection		20
Flood and Erosion		<u>4</u>
		<u>159,411</u>
Trust and Agency:		
County Assessor	Collections	277,488
Emergency Management Services		41,696
Sanitary Disposal District		1,618,901
Schools		6,807,945
Community Colleges		491,300
Corportions		2,423,386
Auto License and Use Tax		241,311
E911 Service Commission		295,895
Ground Water Protection		97,893
All other		<u>843,212</u>
		<u>13,139,027</u>
Total		<u>\$ 13,446,431</u>

(6) Changes in Long-Term Debt

A summary of changes in long-term debt for the year ended June 30, 2002, is as follows:

	<u>Capital</u>	<u>Compen-</u>	
	<u>Lease</u>	<u>sated</u>	
	<u>Purchase</u>	<u>Absences</u>	<u>Total</u>
	<u>Agreement</u>		
Balance beginning of year	\$ 8,932	144,608	153,540
Additions	-	6,742	6,742
Reductions	<u>2,701</u>	-	<u>2,701</u>
Balance end of year	<u>\$ 6,231</u>	<u>151,350</u>	<u>157,581</u>

Capital Lease Purchase Agreement

The County has entered into a capital lease purchase agreement to lease a tractor for the conservation department. The following is a schedule of the future minimum lease payments, including interest of 9.90% per annum, and the present value of net minimum lease payments under the agreements in effect at June 30, 2002:

<u>Year ending June 30,</u>	<u>Conservation Tractor</u>
2003	\$ 3,586
2004	3,585
Total minimum lease payments	<u>7,171</u>
Less amount representing interest	<u>(940)</u>
Present value of net minimum lease payments	<u>\$ 6,231</u>

Payments under the capital lease purchase agreement for the year ended June 30, 2002 totaled \$3,585.

(7) Pension and Retirement Benefits

The County contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 3.70% of their annual covered salary and the County is required to contribute 5.75% of annual covered payroll except for law enforcement employees, in which case the percentages are 5.50% and 8.25%, respectively. Contribution requirements are established by State statute. The County's contributions to IPERS for the years ended June 30, 2002, 2001, and 2000 were \$251,708, \$236,116, and \$215,927, respectively, equal to the required contributions for each year.

(8) Risk Management

Crawford County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool with over 400 members from various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property and inland marine. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses, and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained to equal 300 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

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

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's annual contributions to the Pool for the year ended June 30, 2002 were \$112,085.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$250,000 per claim. Claims exceeding \$250,000 are reinsured in an amount not to exceed \$1,750,000 per claim and \$5,000,000 in aggregate per year. For members requiring specific coverage from \$2,000,000 to \$15,000,000, such excess coverage is also reinsured. All property risks, including automobile physical damage, are also reinsured on an individual-member basis.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk sharing-recoveries, then payment of such claims shall be the obligation of the respective individual member. The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2002, no liability has been recorded in the County's financial statements. As of June 30, 2002, settled claims have not exceeded the risk pool or reinsurance company coverage since the Pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days' prior written notice may withdraw from the Pool. Upon withdrawal, payments for all claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their capital contributions. After the sixth year, the member is refunded 100 percent of its capital contributions, however, the refund is reduced by an amount equal to the annual operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

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

(9) Employee Group Health Plan

The Crawford County Internal Service, Employee Group Health Fund was established to account for the partial self funding of the County's health insurance benefit plan. The plan is funded by County contributions and is administered through a service agreement with Third Party Administration LTD. The agreement is subject to automatic renewal provisions. The County assumes liability of \$750 of an employee's \$1,500 deductible.

Monthly payments of service fees and plan contributions to the Crawford County Internal Service, Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Third Party Administration LTD. from the Crawford County Internal Service, Employee Group Health Fund. The County's contribution to the fund for the year ended June 30, 2002 was \$50,875.

Amounts payable from the Internal Service, Employee Group Health Fund at June 30, 2002 total \$7,552, which is for incurred but not recorded (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior-year and current-year claims. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement Number 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has incurred at the date of the financial statements and the amount of the loss can be reasonable estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. Information on a reconciliation of changes in the aggregate liabilities for claims for the current year is as follows:

Unpaid claims at July 1, 2001	\$ -
Incurred claims (including claims incurred but not reported at June 30, 2002)	50,911
Payments on claims during the year	<u>(43,359)</u>
Unpaid claims at June 30, 2002	<u><u>\$ 7,552</u></u>

(10) Prospective Accounting Change

The Governmental Accounting Standards Board has issued Statement Number 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments; Statement Number 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments; Omnibus; and Statement Number 38, Certain Financial Statement Note Disclosures. These statements will be implemented for the fiscal year ending June 30, 2003. The effects are expected to significantly impact the presentation of governmental financial statements in the year of implementation. The revised requirements include using the economic resources measurement focus and full accrual accounting. Also, the revised minimum reporting requirements include Management's Discussion and Analysis to introduce the basic financial statements and to provide an analytical overview of the financial activities.

Crawford County

Supplemental Information

Schedule 1

Crawford County

General Fund

Statement of Revenues, Expenditures and
Changes in Fund Balance

Revenues:

Property and other County tax:

Property tax	\$ 2,242,738	
Utility tax replacement excise tax	64,049	
Other	<u>4,907</u>	\$ 2,311,694

Interest and penalty on property tax

40,379

Intergovernmental:

State shared revenues:

Franchise tax	16,711	
Other	<u>7,852</u>	
	<u>24,563</u>	

State grants and reimbursements including
indirect federal funding:

Maternal and child health services block grant	179,370	
Human services administration reimbursement	36,078	
Home care aide grant	60,438	
Community development block grant	607,120	
Vision Iowa grant	215,000	
Other	<u>387,645</u>	
	<u>1,485,651</u>	

State tax replacements:

State tax credits	175,118	
State allocation	<u>2,782</u>	
	<u>177,900</u>	

Direct federal grants and entitlements:

Medicare and medicaid	<u>840,506</u>	
-----------------------	----------------	--

Contributions and reimbursements from
other governmental units:

Contract law enforcement	20,840	
Other	<u>277,431</u>	
	<u>298,271</u>	\$ 2,826,891

Licenses and permits

11,933

Charges for service:

Office fees and collections	253,532	
Auto registration, use tax and mailing	110,442	
Other	<u>121,309</u>	485,283

Crawford County

General Fund

Statement of Revenues, Expenditures and
Changes in Fund Balance

Year ended June 30, 2002

Revenues (continued):

Use of money and property:

Interest on investments

174,151

Other

15,892

190,043

Miscellaneous

57,192

Total revenues

5,923,415

Expenditures:

Operating:

Public safety

1,120,171

Court services

74,052

Physical health and education

1,751,990

Social services

719,019

County environment

564,352

State and local government services

400,483

Interprogram services

1,714,646

Capital projects

14,814

Total expenditures

6,359,527

Deficiency of revenues under expenditures

(436,112)

Other financing sources (uses):

Sale of general fixed assets

4,309

Operating transfers out:

Special Revenue:

Secondary Roads

(93,000)

Expendable Trust:

Conservation Land Acquisition Trust

(4,886)

Total other financing sources (uses)

(93,577)Deficiency of revenues and other financing sources under
expenditures and other financing uses

(529,689)

Fund balance beginning of year

3,246,313

Increase in reserve for prepaid insurance

31,143

Fund balance end of year

\$ 2,747,767

See accompanying independent auditor's report.

Crawford County

General Fund

Statement of Expenditures

Year ended June 30, 2002

Public Safety Service Area:

Law enforcement:

Uniformed patrol services	\$ 554,563	
Investigations	5,070	
Law enforcement communication	8,959	
Adult correction services	242,851	
Administration	114,555	
	<u>925,998</u>	

Legal services:

Criminal prosecution	147,022	
Medical examinations	6,679	
Child support recovery	180	
	<u>153,881</u>	

Emergency services:

Ambulance services	12,292	
Emergency management	28,000	
	<u>40,292</u>	\$ 1,120,171

Court Services Service Area:

Assistance to district court system:

Physical operations	2,709	
Research and other assistance	8,717	
	<u>11,426</u>	

Court proceedings:

Juries and witnesses	1,050	
Detention services	41,009	
Court costs	60	
Service of civil papers	14,865	
	<u>56,984</u>	

Juvenile justice administration:

Juvenile representation services	4,739	
Court-appointed attorneys and court costs for juveniles	903	
	<u>5,642</u>	74,052

Crawford County
General Fund
Statement of Expenditures
Year ended June 30, 2002

Physical Health and Education Service Area:

Physical health services:

Personal and family health services	306,983	
Communicable disease prevention and control services	3,462	
Sanitation	32,500	
Health administration	1,298,035	
	<u>1,640,980</u>	

Educational services:

Historic preservation	13,410	
Fair and 4-H clubs	35,000	
Fairgrounds	61,600	
Other educational services	1,000	
	<u>111,010</u>	1,751,990

Social Services Service Area:

Services to the poor:

Administration	55,387	
General welfare services	26,670	
	<u>82,057</u>	

Services to military veterans:

Administration	14,341	
General services to veterans	11,682	
	<u>26,023</u>	

Children's and family services:

Youth guidance	94,508	
Family protection services	168,180	
	<u>262,688</u>	

Services to other adults:

Services to the elderly	325,932	
Other social services	4,500	
	<u>330,432</u>	

Chemical dependency:

Treatment services	<u>17,819</u>	719,019
--------------------	---------------	---------

Crawford County
 General Fund
 Statement of Expenditures
 Year ended June 30, 2002

County Environment Service Area:		
Environmental quality:		
Natural resources conservation	<u>107,175</u>	
Conservation and recreation services:		
Administration	83,597	
Maintenance and operations	316,217	
Recreation and environmental education	<u>16,327</u>	
	<u>416,141</u>	
Animal control:		
Animal shelter	360	
Animal bounties and state apiarist expenses	<u>117</u>	
	<u>477</u>	
County development:		
Land use and building controls	2,984	
Economic development	<u>37,575</u>	
	<u>40,559</u>	564,352
State and Local Government Services Service Area:		
Representation services:		
Elections administration	52,734	
Local elections	<u>14,199</u>	
	<u>66,933</u>	
State administrative services:		
Motor vehicle registrations and licensing	194,514	
Recording of public documents	<u>139,036</u>	
	<u>333,550</u>	400,483
Interprogram Services Service Area:		
Policy and administration:		
General County management	199,946	
Administrative management services	956,406	
Treasury management services	116,076	
Other policy and administration	<u>34,011</u>	
	<u>1,306,439</u>	

Crawford County
General Fund
Statement of Expenditures
Year ended June 30, 2002

Interprogram Services Service Area (continued):

Central services:

General services	171,051	
Data processing services	67,945	
	<u>238,996</u>	

Risk management services:

Tort liability	43,054	
Safety of the workplace	111,281	
Fidelity of public officials	9,044	
Unemployment compensation	5,832	
	<u>169,211</u>	1,714,646

Capital Projects Service Area:

Other capital projects		<u>14,814</u>
------------------------	--	---------------

Total		<u><u>\$ 6,359,527</u></u>
-------	--	----------------------------

See accompanying independent auditor's report.

Crawford County
Special Revenue Funds
Combining Balance Sheet
June 30, 2002

	Rural Services	Secondary Roads	Mental Health
Assets			
Cash and pooled investments	\$ 234,371	1,143,310	726,662
Receivables:			
Property tax:			
Delinquent	1,517	-	1,850
Succeeding year	1,517,000	-	544,000
Accounts	-	4,696	-
Due from other funds	-	-	-
Due from other governments	15,223	428,987	-
Inventories	-	1,556,229	-
Prepaid insurance	2,394	27,322	-
	\$ 1,770,505	3,160,544	1,272,512
Liabilities and Fund Equity			
Liabilities:			
Accounts payable	\$ 8,447	456,754	36,535
Salaries and benefits payable	19,654	82,541	430
Due to other governments	-	1,058	158,329
Deferred revenue:			
Succeeding year property tax	1,517,000	-	544,000
Other	1,511	76,641	1,832
Compensated absences	4,987	26,062	-
Total liabilities	1,551,599	643,056	741,126
Fund equity:			
Fund balances:			
Reserved for:			
Supplemental levy purposes	2,608	-	-
Inventories	-	1,556,229	-
Prepaid insurance	2,394	27,322	-
Unreserved	213,904	933,937	531,386
Total fund equity	218,906	2,517,488	531,386
Total liabilities and fund equity	\$ 1,770,505	3,160,544	1,272,512

See accompanying independent auditor's report.

County Recorder's Records Management	Resource Enhance- ment and Protection	Law Enforcement Forfeiture	Flood and Erosion	Drainage Districts	Supplemental Environment Projects	Total
33,405	3,726	79	56,407	13,533	3,040	2,214,533
-	-	-	-	-	-	3,367
-	-	-	-	-	-	2,061,000
-	-	-	-	-	-	4,696
1,137	-	-	-	-	-	1,137
-	-	-	-	-	-	444,210
-	-	-	-	-	-	1,556,229
-	-	-	-	-	-	29,716
34,542	3,726	79	56,407	13,533	3,040	6,314,888
-	-	-	-	-	-	501,736
-	-	-	-	-	-	102,625
-	20	-	4	-	-	159,411
-	-	-	-	-	-	2,061,000
-	-	-	-	-	-	79,984
-	-	-	-	-	-	31,049
-	20	-	4	-	-	2,935,805
-	-	-	-	-	-	2,608
-	-	-	-	-	-	1,556,229
-	-	-	-	-	-	29,716
34,542	3,706	79	56,403	13,533	3,040	1,790,530
34,542	3,706	79	56,403	13,533	3,040	3,379,083
34,542	3,726	79	56,407	13,533	3,040	6,314,888

Crawford County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2002

	Rural Services	Secondary Roads	Mental Health
Revenues:			
Property and other County Tax:			
Property tax	\$ 1,391,924	-	737,542
Local option sales tax	91,347	365,387	-
Utility tax replacement excise tax	45,433	-	21,063
Other	815	-	949
	<u>1,529,519</u>	<u>365,387</u>	<u>759,554</u>
Intergovernmental:			
State shared revenues:			
Road use tax allocation	-	2,860,729	-
State grants and reimbursements including indirect federal funding:			
Resource enhancement and protection program	-	-	-
Social services block grant	-	-	93,481
Highway planning and construction	-	67,419	-
Other	-	167,269	8,997
	<u>-</u>	<u>234,688</u>	<u>102,478</u>
State tax replacements:			
State tax credits	95,636	-	57,926
Mental health/mental retardation allocation	-	-	19,657
Mental health property tax relief	-	-	577,632
State allocation	27,357	88,099	-
Other	-	30,784	8,490
	<u>122,993</u>	<u>118,883</u>	<u>663,705</u>
Direct federal grants and entitlements:			
Watershed protection and flood prevention	-	76,642	-
	<u>122,993</u>	<u>3,290,942</u>	<u>766,183</u>
Licenses and permits	-	140	-
Charges for service	10	2,359	-
Use of money and property:			
Interest on investments	-	-	-
Other	16,963	-	-
	<u>16,963</u>	<u>-</u>	<u>-</u>

County Recorder's Records Management	Resource Enhancement and Protection	Law Enforcement Forfeiture	Flood and Erosion	Drainage Districts	Supplemental Environment Projects	Total
-	-	-	-	-	-	2,129,466
-	-	-	-	-	-	456,734
-	-	-	-	-	-	66,496
-	-	-	-	-	-	1,764
-	-	-	-	-	-	2,654,460
-	-	-	-	-	-	2,860,729
-	7,215	-	-	-	-	7,215
-	-	-	-	-	-	93,481
-	-	-	-	-	-	67,419
-	-	-	-	-	-	176,266
-	7,215	-	-	-	-	344,381
-	-	-	-	-	-	153,562
-	-	-	-	-	-	19,657
-	-	-	-	-	-	577,632
-	-	-	27,820	-	-	143,276
-	-	-	-	-	-	39,274
-	-	-	27,820	-	-	933,401
-	-	-	-	-	-	76,642
-	7,215	-	27,820	-	-	4,215,153
-	-	-	-	-	-	140
4,244	-	-	-	-	-	6,613
437	381	17	-	-	40	875
-	-	-	-	6,375	-	23,338
437	381	17	-	6,375	40	24,213

Crawford County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2002

	Rural Services	Secondary Roads	Mental Health
Revenues (continued):			
Miscellaneous:			
Sale of materials	-	23,205	-
Other	500	25,818	-
	500	49,023	-
Total revenues	1,669,985	3,707,851	1,525,737
Expenditures:			
Operating:			
Public Safety Service Area:			
Law enforcement:			
Investigations	-	-	-
Physical Health and Education Service Area:			
Educational services:			
Libraries	39,500	-	-
Mental Health Service Area:			
Persons with mental health problems - mental illness:			
General administration	-	-	47,606
Treatment services	-	-	101,929
Institutional, hospital, and commitment services	-	-	40,677
	-	-	190,212
Persons with chronic mental illness:			
Coordination services	-	-	2,952
Personal and environmental support	-	-	7,675
Treatment services	-	-	152,899
Vocational and day services	-	-	40,579
Licensed or certified living arrangements	-	-	143,552
Institutional, hospital, and commitment services	-	-	90,377
	-	-	438,034
Persons with mental retardation:			
Coordination services	-	-	10,987
Personal and environmental support	-	-	4,718
Treatment services	-	-	175
Vocational and day services	-	-	221,297
Licensed or certified living arrangements	-	-	718,734
Institutional, hospital, and commitment services	-	-	166,738
	-	-	1,122,649

County Recorder's Records Management	Resource Enhancement and Protection	Law Enforcement Forfeiture	Flood and Erosion	Drainage Districts	Supplemental Environment Projects	Total
-	-	-	-	-	-	23,205
-	-	7,910	-	-	3,000	37,228
-	-	7,910	-	-	3,000	60,433
4,681	7,596	7,927	27,820	6,375	3,040	6,961,012
-	-	8,872	-	-	-	8,872
-	-	-	-	-	-	39,500
-	-	-	-	-	-	47,606
-	-	-	-	-	-	101,929
-	-	-	-	-	-	40,677
-	-	-	-	-	-	190,212
-	-	-	-	-	-	2,952
-	-	-	-	-	-	7,675
-	-	-	-	-	-	152,899
-	-	-	-	-	-	40,579
-	-	-	-	-	-	143,552
-	-	-	-	-	-	90,377
-	-	-	-	-	-	438,034
-	-	-	-	-	-	10,987
-	-	-	-	-	-	4,718
-	-	-	-	-	-	175
-	-	-	-	-	-	221,297
-	-	-	-	-	-	718,734
-	-	-	-	-	-	166,738
-	-	-	-	-	-	1,122,649

Crawford County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2002

	Rural Services	Secondary Roads	Mental Health
Expenditures (continued):			
Operating:			
Mental Health Service Area:			
Persons with other developmental disabilities:			
Coordination services	-	-	1,599
Personal and environmental support	-	-	1,127
Treatment services	-	-	1,939
Vocational and day services	-	-	17,069
Licensed or certified living arrangements	-	-	4,031
	-	-	25,765
	-	-	1,776,660
County Environment Service Area:			
Environmental quality:			
Natural resources conservation	-	-	-
Weed eradication	9,523	-	-
Solid waste disposal	57,114	-	-
	66,637	-	-
Conservation and recreation services:			
Administration	50,755	-	-
Maintenance and operations	192,735	-	-
Recreation and environmental education services	-	-	-
	243,490	-	-
	310,127	-	-
Roads and Transportation Service Area:			
Secondary roads administration and engineering:			
Administration	26,286	671,866	-
Engineering	15,557	158,892	-
	41,843	830,758	-
Roadway maintenance:			
Bridges and culverts	12,992	108,151	-
Roads	73,510	1,301,106	-
Snow and ice control	8,930	91,732	-
Traffic controls	5,217	95,723	-
Road clearing	19,735	121,496	-
	120,384	1,718,208	-

County Recorder's Records Management	Resource Enhancement and Protection	Law Enforcement Forfeiture	Flood and Erosion	Drainage Districts	Supplemental Environment Projects	Total
-	-	-	-	-	-	1,599
-	-	-	-	-	-	1,127
-	-	-	-	-	-	1,939
-	-	-	-	-	-	17,069
-	-	-	-	-	-	4,031
-	-	-	-	-	-	25,765
-	-	-	-	-	-	1,776,660
-	-	-	9,950	-	-	9,950
-	-	-	-	-	-	9,523
-	-	-	-	-	-	57,114
-	-	-	9,950	-	-	76,587
-	-	-	-	-	-	50,755
-	-	-	-	-	-	192,735
-	10,673	-	-	-	-	10,673
-	10,673	-	-	-	-	254,163
-	10,673	-	9,950	-	-	330,750
-	-	-	-	-	-	698,152
-	-	-	-	-	-	174,449
-	-	-	-	-	-	872,601
-	-	-	-	-	-	121,143
-	-	-	-	-	-	1,374,616
-	-	-	-	-	-	100,662
-	-	-	-	-	-	100,940
-	-	-	-	-	-	141,231
-	-	-	-	-	-	1,838,592

Crawford County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2002

	Rural Services	Secondary Roads	Mental Health
Expenditures (continued):			
Operating:			
Roads and Transportation Service Area:			
General roadway:			
Equipment	-	755,732	-
Equipment operations	16,837	675,945	-
Tools, materials, and supplies	-	177,264	-
Real estate and buildings	-	108,755	-
	<u>16,837</u>	<u>1,717,696</u>	<u>-</u>
	<u>179,064</u>	<u>4,266,662</u>	<u>-</u>
Interprogram Services Service Area:			
Policy and Administration:			
General county management	-	8	4
Risk management services:			
Unemployment compensation	428	3,014	124
	<u>428</u>	<u>3,022</u>	<u>128</u>
Non-program Service Area:			
Drainage district construction and repair	-	-	-
Capital Projects Service Area:			
Roadway construction	-	559,050	-
Total expenditures	<u>529,119</u>	<u>4,828,734</u>	<u>1,776,788</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,140,866</u>	<u>(1,120,883)</u>	<u>(251,051)</u>
Other financing sources (uses):			
Sale of general fixed assets	-	161,383	-
Operating transfers in (out):			
General	-	93,000	-
Special Revenue:			
Rural Services	-	1,163,000	-
Secondary Roads	(1,163,000)	-	-
Total other financing sources (uses)	<u>(1,163,000)</u>	<u>1,417,383</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(22,134)</u>	<u>296,500</u>	<u>(251,051)</u>
Fund balances beginning of year	241,040	2,277,130	782,437
Decrease in reserve for:			
Inventories	-	(55,865)	-
Prepaid insurance	-	(277)	-
Fund balances end of year	<u>\$ 218,906</u>	<u>2,517,488</u>	<u>531,386</u>

See accompanying independent auditor's report.

County Recorder's Records Management	Resource Enhancement and Protection	Law Enforcement Forfeiture	Flood and Erosion	Drainage Districts	Supplemental Environment Projects	Total
-	-	-	-	-	-	755,732
-	-	-	-	-	-	692,782
-	-	-	-	-	-	177,264
-	-	-	-	-	-	108,755
-	-	-	-	-	-	1,734,533
-	-	-	-	-	-	4,445,726
-	-	-	-	-	-	12
-	45	-	7	-	-	3,618
-	45	-	7	-	-	3,630
-	-	-	-	1,273	-	1,273
-	-	-	-	-	-	559,050
-	10,718	8,872	9,957	1,273	-	7,165,461
4,681	(3,122)	(945)	17,863	5,102	3,040	(204,449)
-	-	-	-	-	-	161,383
-	-	-	-	-	-	93,000
-	-	-	-	-	-	1,163,000
-	-	-	-	-	-	(1,163,000)
-	-	-	-	-	-	254,383
4,681	(3,122)	(945)	17,863	5,102	3,040	49,934
29,861	6,828	1,024	38,540	8,431	-	3,385,291
-	-	-	-	-	-	(55,865)
-	-	-	-	-	-	(277)
34,542	3,706	79	56,403	13,533	3,040	3,379,083

Schedule 5

Crawford County
Trust and Agency Funds
Combining Balance Sheet
June 30, 2002

	<u>Expendable</u>		
	<u>Trust</u>	<u>Agency</u>	<u>Total</u>
Assets			
Cash and pooled investments:			
County Treasurer	\$ 4,347	956,628	960,975
Other County officials	-	42,326	42,326
Crawford County Area Solid Waste Commission	-	1,558,504	1,558,504
Receivables:			
Property tax:			
Delinquent	-	33,366	33,366
Succeeding year	-	10,455,100	10,455,100
Accounts	-	90,111	90,111
Accrued interest	16	27,301	27,317
Special assessments	-	58,000	58,000
Due from other funds	-	3,168	3,168
Prepaid insurance	-	8,739	8,739
Total assets	\$ 4,363	13,233,243	13,237,606
Liabilities and Fund Equity			
Liabilities:			
Accounts payable	\$ -	25,958	25,958
Salaries and benefits payable	-	13,218	13,218
Due to other funds	-	31,039	31,039
Due to other governments	-	13,139,027	13,139,027
Trusts payable	-	7,773	7,773
Compensated absences	-	16,228	16,228
Total liabilities	-	13,233,243	13,233,243
Fund equity:			
Unreserved fund balance	4,363	-	4,363
Total liabilities and fund equity	\$ 4,363	13,233,243	13,237,606

See accompanying independent auditor's report.

Crawford County
Expendable Trust Funds
Combining Balance Sheet
June 30, 2002

	Conservation Land Acquisition Trust	Conservation Trust	Total
Assets			
Cash and pooled investments:			
County Treasurer	\$ 195	4,152	4,347
Accrued interest receivable	-	16	16
Total assets	\$ 195	4,168	4,363
Liabilities and Fund Equity			
Fund equity:			
Unreserved fund balances	\$ 195	4,168	4,363
Total liabilities and fund equity	\$ 195	4,168	4,363

See accompanying independent auditor's report.

Crawford County

Crawford County
 Expendable Trust Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 Year ended June 30, 2002

	Conservation Land Acquisition Trust	Conservation Trust	Total
Revenues:			
Use of money and property:			
Interest on investments	\$ 195	119	314
Miscellaneous:			
Donations	-	200	200
Total revenues	<u>195</u>	<u>319</u>	<u>514</u>
Expenditures:			
Capital Projects Service Area:			
Other capital projects	<u>8,295</u>	-	<u>8,295</u>
Excess (deficiency) of revenues over (under) expenditures	(8,100)	319	(7,781)
Other financing sources:			
Operating transfers in:			
General	<u>4,886</u>	-	<u>4,886</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(3,214)	319	(2,895)
Fund balances beginning of year	<u>3,409</u>	<u>3,849</u>	<u>7,258</u>
Fund balances end of year	<u>\$ 195</u>	<u>4,168</u>	<u>4,363</u>

See accompanying independent auditor's report.

Crawford County
 Agency Funds
 Combining Balance Sheet
 June 30, 2002

	<u>County Offices</u>		Agricultural Extension Education	County Assessor
	County Recorder	County Sheriff		
Assets				
Cash and pooled investments:				
County Treasurer	\$ -	-	1,515	118,117
Other County officials	31,936	10,390	-	-
Crawford County Area Solid Waste Commission	-	-	-	-
Receivables:				
Property tax:				
Delinquent	-	-	232	580
Succeeding year	-	-	97,000	171,000
Accounts	178	-	-	-
Accrued interest	-	-	-	-
Special assessments	-	-	-	-
Due from other funds	-	-	-	-
Prepaid insurance	-	-	-	-
Total assets	\$ 32,114	10,390	98,747	289,697
Liabilities				
Liabilities:				
Accounts payable	\$ -	-	-	-
Salaries and benefits payable	-	-	-	3,791
Due to other funds	25,256	2,615	-	-
Due to other governments	6,858	2	98,747	277,488
Trusts payable	-	7,773	-	-
Compensated absences	-	-	-	8,418
Total liabilities	\$ 32,114	10,390	98,747	289,697

Emergency Management Services	Sanitary Disposal District	Schools	Community Colleges	Corporations	Townships	Auto License and Use Tax
41,696	24,046	97,040	5,108	39,211	2,768	241,311
-	-	-	-	-	-	-
-	1,558,504	-	-	-	-	-
-	-	16,905	1,192	13,175	152	-
-	-	6,694,000	485,000	2,371,000	166,000	-
-	35,042	-	-	-	-	-
-	27,049	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	8,739	-	-	-	-	-
41,696	1,653,380	6,807,945	491,300	2,423,386	168,920	241,311
-	14,074	-	-	-	-	-
-	9,427	-	-	-	-	-
-	3,168	-	-	-	-	-
41,696	1,618,901	6,807,945	491,300	2,423,386	168,920	241,311
-	-	-	-	-	-	-
-	7,810	-	-	-	-	-
41,696	1,653,380	6,807,945	491,300	2,423,386	168,920	241,311

Crawford County
 Agency Funds
 Combining Balance Sheet
 June 30, 2002

	Brucellosis and Tuberculosis Eradication	Anatomical Gift Public Awareness and Transportation	City Special Assessments
Assets			
Cash and pooled investments:			
County Treasurer	41	22	149
Other County officials	-	-	-
Crawford County Area Solid Waste Commission	-	-	-
Receivables:			
Property tax:			
Delinquent	5	-	-
Succeeding year	2,100	-	-
Accounts	-	-	-
Accrued interest	-	-	-
Special assessments	-	-	58,000
Due from other funds	-	-	-
Prepaid insurance	-	-	-
	2,146	22	58,149
Liabilities			
Liabilities:			
Accounts payable	-	-	-
Salaries and benefits payable	-	-	-
Due to other funds	-	-	-
Due to other governments	2,146	22	58,149
Trusts payable	-	-	-
Compensated absences	-	-	-
	2,146	22	58,149

See accompanying independent auditor's report.

County Hospital	Wellness	E911	Ground Water Protection	Advance Tax	Unclaimed Property	Total
7,428	2,602	252,636	94,725	27,951	262	956,628
-	-	-	-	-	-	42,326
-	-	-	-	-	-	1,558,504
1,125	-	-	-	-	-	33,366
469,000	-	-	-	-	-	10,455,100
-	-	54,891	-	-	-	90,111
-	-	252	-	-	-	27,301
-	-	-	-	-	-	58,000
-	-	-	3,168	-	-	3,168
-	-	-	-	-	-	8,739
477,553	2,602	307,779	97,893	27,951	262	13,233,243
-	-	11,884	-	-	-	25,958
-	-	-	-	-	-	13,218
-	-	-	-	-	-	31,039
477,553	2,602	295,895	97,893	27,951	262	13,139,027
-	-	-	-	-	-	7,773
-	-	-	-	-	-	16,228
477,553	2,602	307,779	97,893	27,951	262	13,233,243

Crawford County

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 2002

	County Offices		Agricultural Extension Education	County Assessor	Emergency Management Services
	County Recorder	County Sheriff			
Assets and Liabilities					
Balance beginning of year	\$ 35,352	6,971	95,921	403,731	37,964
Additions:					
Property and other County tax	-	-	97,667	171,184	-
E911 surcharge	-	-	-	-	-
State tax credits	-	-	7,218	20,299	-
Office fees and collections	185,431	335,153	-	-	-
Auto licenses, use tax and postage	-	-	-	-	-
Assessments	-	-	-	-	-
Trusts	-	-	-	-	-
Miscellaneous	-	-	-	4,038	42,224
Total additions	185,431	335,153	104,885	195,521	42,224
Deductions:					
Agency Remittances:					
To other funds	101,510	59,886	-	-	-
To other governments	87,159	174	102,059	309,555	38,492
Trusts paid out	-	271,674	-	-	-
Total deductions	188,669	331,734	102,059	309,555	38,492
Balance end of year	\$ 32,114	10,390	98,747	289,697	41,696

Sanitary Disposal District	Schools	Community Colleges	Corporations	Townships	Auto License and Use Tax	Brucellosis and Tuberculosis Eradication
1,553,645	6,287,800	324,447	3,018,933	165,417	268,112	3,162
-	6,705,757	486,292	2,333,889	167,080	-	1,684
-	-	-	-	-	-	-
-	471,968	24,357	241,952	10,964	-	197
-	-	-	-	-	31,848	-
-	-	-	-	-	3,343,650	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
697,737	-	-	-	-	-	-
697,737	7,177,725	510,649	2,575,841	178,044	3,375,498	1,881
3,168	-	-	-	-	110,442	-
594,834	6,657,580	343,796	3,171,388	174,541	3,291,857	2,897
-	-	-	-	-	-	-
598,002	6,657,580	343,796	3,171,388	174,541	3,402,299	2,897
1,653,380	6,807,945	491,300	2,423,386	168,920	241,311	2,146

Crawford County

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 2002

	Anatomical Gift Public Awareness and Transportation	Monies and Credits	City Special Assessments	County Hospital
Assets and Liabilities				
Balance beginning of year	13	613	71,312	471,003
Additions:				
Property and other County tax	-	-	-	470,048
E911 surcharge	-	-	-	-
State tax credits	-	-	-	35,379
Office fees and collections	-	-	-	-
Auto licenses, use tax and postage	94	-	-	-
Assessments	-	-	6,567	-
Trusts	-	-	-	-
Miscellaneous	-	613	-	-
Total additions	94	613	6,567	505,427
Deductions:				
Agency Remittances:				
To other funds	-	-	-	-
To other governments	85	1,226	19,730	498,877
Trusts paid out	-	-	-	-
Total deductions	85	1,226	19,730	498,877
Balance end of year	22	-	58,149	477,553

See accompanying independent auditor's report.

Wellness	E911	Ground Water Protection	Advance Tax	Unclaimed Property	Total
3,509	254,516	87,385	12,784	242	13,102,832
-	-	-	-	-	10,433,601
-	122,543	-	-	-	122,543
-	-	-	-	-	812,334
-	-	-	-	-	552,432
-	-	-	-	-	3,343,744
-	-	-	-	-	6,567
2,200	-	-	-	-	2,200
-	10,792	13,055	30,687	20	799,166
2,200	133,335	13,055	30,687	20	16,072,587
-	-	-	-	-	275,006
3,107	80,072	2,547	15,520	-	15,395,496
-	-	-	-	-	271,674
3,107	80,072	2,547	15,520	-	15,942,176
2,602	307,779	97,893	27,951	262	13,233,243

Schedule 10**Crawford County****Comparison of Taxes and Intergovernmental Revenues**

	Years ended June 30,			
	2002	2001	2000	1999
Taxes:				
Property and other County tax	\$ 4,372,204	4,312,008	4,473,738	4,595,293
Local option sales tax	456,734	560,640	398,885	205,859
Utility tax replacement excise tax	130,545	132,752	-	-
Other tax	6,671	7,534	7,236	8,982
	<u>4,966,154</u>	<u>5,012,934</u>	<u>4,879,859</u>	<u>4,810,134</u>
Intergovernmental:				
State shared revenues:				
Road use tax	2,860,729	2,743,271	2,783,162	2,634,323
Other	24,563	37,456	39,147	18,043
State grants and reimbursements including indirect federal funding:				
Community development block grant	607,120	62,820	-	916,720
Vision Iowa grant	215,000	-	-	-
Maternal and child health services block grant	179,370	154,055	162,833	125,519
Social services block grant	93,481	97,365	98,765	100,340
Highway planning and construction	67,419	477,140	117,005	401,196
Other	667,642	523,064	403,418	290,775
State tax replacements:				
State tax credits	328,680	387,433	384,847	403,981
State allocation	146,058	157,384	157,838	361,213
Mental health property tax relief	577,632	780,527	785,913	577,632
Other	58,931	32,525	31,472	18,387
Direct federal grants and entitlements:				
Medicare and medicaid	840,506	897,585	1,043,382	423,572
Public safety partnership and community grant	-	-	20,051	25,698
Watershed protection and flood prevention	76,642	63,526	211,350	-
Contributions and reimbursements from other governmental units	298,271	131,241	124,907	154,568
	<u>7,042,044</u>	<u>6,545,392</u>	<u>6,364,090</u>	<u>6,451,967</u>
Total	<u>\$ 12,008,198</u>	<u>11,558,326</u>	<u>11,243,949</u>	<u>11,262,101</u>

See accompanying independent auditor's report.

Crawford County

Schedule of Expenditures of Federal Awards

Year ended June 30, 2002

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expendi- tures
Direct:			
U.S. Department of Agriculture:			
Watershed Protection and Flood Prevention	10.904	69-6114-1-6	\$ 32,683
Watershed Protection and Flood Prevention	10.904	69-6114-1-5	16,415
Watershed Protection and Flood Prevention	10.904	69-6114-1-14	27,544
Total direct			76,642
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Public Health:			
West Central Development Corporation:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	5880A048	957
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	5881A048	3,780
			4,737
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
State Administrative Matching Grants for Food Stamp Program	10.561		5,902
U.S. Department of Housing and Urban Development:			
Iowa Department of Economic Development:			
Community Development Block Grants/ State's Program (\$351,680 provided to subrecipients)	14.228	00-CF-039	351,680
Community Development Block Grants/ State's Program (\$253,065 provided to subrecipients)	14.228	31-WS-076-99	253,065
Community Development Block Grants/ State's Program (\$2,375 provided to subrecipients)	14.228	01-WS-077-99	2,375
			607,120
National Park Service/Department of Interior:			
Iowa Department of Cultural Affairs:			
Historic Preservation Fund Grants-In-Aid	15.904	01-00-010	9,410
U.S. Department of Transportation:			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	BROS-24-(52)-8J-24	57,116
Highway Planning and Construction	20.205	BROS-24-(51)-8J-24	10,303
			67,419

Schedule 11

Crawford County

Schedule of Expenditures of Federal Awards

Year ended June 30, 2002

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expendi- tures
Indirect (continued):			
Federal Emergency Management Agency:			
Iowa Department of Public Defense:			
Emergency Management Division:			
Hazard Mitigation Grant	83.548	1230-0007	<u>12,224</u>
U.S. Department of Health and Human Services:			
Iowa Department of Elder Affairs:			
Elderbridge Area Agency on Aging:			
Special Programs for the Aging-Title III, Part B - Grants for Supportive Services and Senior Centers	93.044		<u>21,500</u>
National Family Caregiver Support Program	93.052		<u>3,500</u>
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Temporary Assistance for Needy Families	93.558		<u>9,289</u>
Refugee and Entrant Assistance-State Administered Programs	93.566		<u>45</u>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		<u>1,199</u>
Foster Care- Title IV-E	93.658		<u>3,094</u>
Adoption Assistance	93.659		<u>1,044</u>
Medical Assistance Program	93.778		<u>9,402</u>
Social Services Block Grant	93.667		<u>6,103</u>
Social Services Block Grant	93.667		<u>93,481</u>
			<u>99,584</u>
Iowa Department of Public Health:			
Family Planning - Services	93.217	5880MC01	15,723
Family Planning - Services	93.217	5881MC01	<u>59,556</u>
			<u>75,279</u>
Family Support Payments to States - Assistance Payments			
	93.560	5882V024	<u>160</u>
Maternal and Child Health Services			
Block Grant to the States	93.994	5880MC01	29,434
Maternal and Child Health Services Block Grant to the States	93.994	5881MC01	<u>44,586</u>
			<u>74,020</u>

Crawford County
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2002

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expendi- tures
Indirect (continued):			
U.S. Department of Health and Human Services:			
Iowa Department of Public Health:			
Grants to States for Operation of Offices of Rural Health	93.913	5882MC01	1,200
Monona County Public Health:			
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	588ILP11	5,750
Greene County Medical Center:			
Immunization Grants	93.268	5880I409	1,078
Immunization Grants	93.268	5881I409	2,665
			3,743
Cass County Memorial Hospital:			
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	588-0NB-06	360
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	588-1NB-06	6,129
			6,489
Total indirect			1,022,110
Total			\$ 1,098,752

Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of Crawford County and is presented on the modified accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation, of the general purpose financial statements.

See accompanying independent auditor's report.

Crawford County



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

Independent Auditor's Report on Compliance
and on Internal Control over Financial Reporting

To the Officials of Crawford County:

We have audited the general purpose financial statements of Crawford County, Iowa, as of and for the year ended June 30, 2002, and have issued our report thereon dated December 12, 2002. We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2002 are based exclusively on knowledge obtained from procedures performed during our audit of the general purpose 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. Prior year statutory comments have all been resolved except for item IV-E-02.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Crawford County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Crawford County's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in Part II of the accompanying Schedule of Findings and Questioned Costs.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above are material weaknesses. The prior year reportable condition has been resolved.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Crawford County and other parties to whom Crawford County may report. This report is not intended to be and should not be used by anyone other than these specified parties.

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

December 12, 2002

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

**Independent Auditor's Report on Compliance with Requirements Applicable
to Each Major Program and Internal Control Over Compliance**

Crawford County



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

**Independent Auditor's Report on Compliance with Requirements Applicable to
Each Major Program and Internal Control over Compliance**

To the Officials of Crawford County:

Compliance

We have audited the compliance of Crawford County, Iowa, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 2002. Crawford County's major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Crawford County's management. Our responsibility is to express an opinion on Crawford County's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and provisions 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 Crawford County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Crawford County's compliance with those requirements.

In our opinion, Crawford County complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2002.

Internal Control Over Compliance

The management of Crawford County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Crawford County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that non-compliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Crawford County and other parties to whom Crawford County may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

December 12, 2002

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

Crawford County
Schedule of Findings and Questioned Costs
Year ended June 30, 2002

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

- (a) An unqualified opinion was issued on the financial statements.
- (b) Reportable conditions in internal control over financial reporting were disclosed by the audit of the financial statements, which were not considered to be material weaknesses.
- (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 program were identified.
- (e) An unqualified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit did not disclose audit findings which are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The major program was CFDA Number 14.228 - Community Development Block Grants/State's Programs.
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Crawford County did not qualify as a low-risk auditee.

Crawford County

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

Part II: Findings Related to the General Purpose Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

REPORTABLE CONDITIONS:

II-A-02 Segregation of Duties – Childcare Center – During our review of internal control, the existing control activities are evaluated in order to determine that incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and therefore maximizes the accuracy of the County Daycare’s financial statements. Generally, one or two individuals may have control over the following areas for which no compensating controls exist:

1. All incoming mail should be opened by an employee who is not authorized to make entries to the accounting records. This employee should prepare a listing of cash and checks received. The mail could then be forwarded to the accounting personnel for processing. Later, the same listing should be compared to the cash receipt records.
2. Receipts - collecting, depositing, and posting should be segregated among employees and reviews should be performed and documented.

Recommendation – We realize that with a limited number of office employees, segregation of duties is difficult. However, a review of the operating procedures of the daycare office should be done to obtain the maximum internal control possible under the circumstances. Current personnel should be utilized to provide additional control through review of financial transactions.

Response – We’ve read your comments regarding various concerns and will attempt to implement the recommendations you have noted. We will keep in regular contact with your office if any changes are made, or if we are having problems implementing them.

Conclusion – Response accepted.

II-B-02 Receipts – Childcare Center – The Crawford County Daycare does not always issue receipts for money when received. A restrictive endorsement (for deposit only) was not placed on all checks when received. Collections for miscellaneous fees were not deposited on a timely basis.

Recommendation – Prenumbered receipts should be issued by the Daycare at the time of collection. Checks should be restrictively endorsed when received and should be made payable to the Crawford County Daycare. All receipts should be deposited intact on a timely basis.

Crawford County

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

Response - We've read your comments regarding various concerns and will attempt to implement the recommendations you have noted. We will keep in regular contact with your office if any changes are made, or if we are having problems implementing them.

Conclusion - Response accepted.

Crawford County
Schedule of Findings and Questioned Costs
Year ended June 30, 2002

Part III: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

REPORTABLE CONDITIONS:

No material weaknesses in internal control over the major program were reported.

Crawford County

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

Part IV: Other Findings Related to Required Statutory Reporting:

IV-A-02 Official Depositories - A resolution naming official depositories has been adopted by the Board of Supervisors. The maximum deposit amounts stated in the resolution were not exceeded during the year.

IV-B-02 Certified Budget - Disbursements during the year ended June 30, 2002 did not exceed the amounts budgeted.

IV-C-02 Questionable Expenditures - No expenditures that 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-D-02 Travel Expense - No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

IV-E-02 Business Transactions - Business transactions between the County and County officials or employees are detailed as follows:

<u>Name, Title and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Mike Goodin, Supervisor, Son-in-law is part owner of Allendan Seed	Seed purchase, per bid	\$10,247
Jacob Witmer, Public Health Finance Director, brother-in-law repaired computers	Computer repair	280
Kenneth Roecker, Conservation employee	Tractor rent, per bid	1,794
Duane Zenk, County Assessor, son owns Zenk Communications	Computer service and parts	1,383
Richard Cue, Secondary Roads employee	Building rent	1,600

The building rent is per a negotiated lease agreement and does not appear to represent a conflict of interest. The seed purchase and tractor rent were competitively bid and, therefore, do not represent conflicts of interest. In accordance with Chapter 331.342(10) of the Code of Iowa, the computer repair and computer service and parts do not appear to be conflicts of interest since the cumulative totals of the transactions were less than \$1,500 during the fiscal year.

IV-F-02 Bond Coverage - Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.

Crawford County

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

IV-G-02 Board Minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.

IV-H-02 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County's investment policy were noted.

IV-I-02 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).

IV-J-02 County Extension Office - The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an extension council separate and distinct from County operations and, consequently, is not included in Exhibits A or B.

Disbursements during the year ended June 30, 2002 for the County Extension Office did not exceed the amount budgeted.

IV-K-02 Deficit Fund Balance - The Internal Service, Employee Group Health Fund had a deficit fund balance of \$1,628 at June 30, 2002.

Recommendation - The County should investigate alternatives to eliminate this deficit in order to return this fund to a sound financial position.

Response - The fund had a positive cash balance of \$5,924.45 as of June 30, 2002. I did not have any idea of the amount of the accrued unpaid medical bills which I had not yet received as of June 30, 2002. A regular contribution was scheduled and made to the fund on July 3, 2002 which was more than adequate to cover the accrued medical bills. The cash balance is now being maintained at a higher level.

Conclusion - Response accepted.

IV-L-02 Financial Condition - In March 2002, the County began operating a childcare center through the Board of Health. During the year ended June 30, 2002, the childcare center's expenditures exceeded revenues by \$19,286. Since the childcare center is currently recorded in the General Fund, the County subsidized the \$19,286 operating deficit.

Recommendation - The County should establish a separate Special Revenue Fund for the childcare center for better accountability and financial control.

Response - In March 2002, the County began operating a childcare center program under the name "Children's Imagination Station" through the Board of Health funded as a department within the General Fund.

In March 2002, a special revenue fund was established by the Board of Supervisors.

Crawford County

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

The account was not funded in March 2002, after discussions by the Board Chairman with the County Accrual Manager, Auditor of State, and Public Health Director indicating that funding the special revenue account was not required and that the Board of Supervisors could allow it to remain as a department within the General Fund.

Presently, the Board of Supervisors has monitored the revenue and expenditure activity in this department on a cash basis for every month during this fiscal year 2002-03 and will continue to monitor it monthly in the future.

Conclusion - Response acknowledged. Although not technically required, the County should establish a separate Special Revenue Fund for the childcare center for better accountability and financial control.

Crawford County

Staff

This audit was performed by:

Pamela J. Bormann, CPA, Manager
Pamela L. Brandenburg, Senior Auditor
Kelly V. Rea, CPA, Staff Auditor
Nicholas A. Freymann, CGFM, Senior Auditor
Travis J. Bovy, Assistant Auditor
Brad T. Holtan, Assistant Auditor

Andrew E. Nielsen, CPA
Deputy Auditor of State