



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

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Auditor of State

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**NEWS RELEASE**

FOR RELEASE

June 22, 2011

Contact: Andy Nielsen  
515/281-5834

Auditor of State David A. Vaudt today released an audit report on Greene County, Iowa.

The County had local tax revenue of \$17,793,609 for the year ended June 30, 2010, which included \$899,540 in tax credits from the state. The County forwarded \$13,101,777 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$4,691,832 of the local tax revenue to finance County operations, a 5.1 percent increase over the prior year. Other revenues included charges for service of \$1,202,249, operating grants, contributions and restricted interest of \$3,619,660, capital grants, contributions and restricted interest of \$1,859,290, local option sales tax of \$359,816, unrestricted investment earnings of \$19,192 and other general revenues of \$136,297.

Expenses for County operations totaled \$10,319,133, a 7.8 percent increase over the prior year. Expenses included \$4,680,842 for roads and transportation, \$1,254,999 for public safety and legal services and \$1,220,021 for administration.

A copy of the audit report is available for review in the County Auditor's Office, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1010-0037-B00F.pdf>.

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**GREENE COUNTY**

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

**JUNE 30, 2010**

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**Greene County**

**Officials**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Terrance Adams	Board of Supervisors	Jan 2011
Jerry Roberts	Board of Supervisors	Jan 2011
Mary Jane Fields	Board of Supervisors	Jan 2013
John Muir	Board of Supervisors	Jan 2013
Guy Richardson	Board of Supervisors	Jan 2013
Jane Heun	County Auditor	Jan 2013
Donna Lawson	County Treasurer	Jan 2011
Marcia Tasler	County Recorder	Jan 2011
Thomas F. Heater	County Sheriff	Jan 2013
Nicola J. Martino	County Attorney	Jan 2011
Linda Spearman	County Assessor	Jan 2011

**Greene County**



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Des Moines, Iowa 50319-0004

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## Independent Auditor's Report

To the Officials of Greene County:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Greene County, Iowa, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements listed in the table of contents. These financial statements are the responsibility of Greene County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

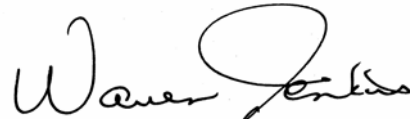
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Greene County at June 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated May 27, 2011 on our consideration of Greene County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis, budgetary comparison information and the Schedule of Funding Progress for the Retiree Health Plan on pages 7 through 13 and 46 through 50 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Greene County's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the nine years ended June 30, 2009 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 6, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
DAVID A. VAUDT, CPA  
Auditor of State

  
WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

May 27, 2011



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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Greene County provides this Management's Discussion and Analysis of its annual financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2010. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

### **2010 FINANCIAL HIGHLIGHTS**

- Revenues of the County's governmental activities increased 25.3%, or approximately \$2,402,000, from fiscal year 2009 to fiscal year 2010. Property tax increased 5.1%, or approximately \$217,000, from fiscal year 2009. Charges for service increased approximately \$337,000 and capital grants, contributions and restricted interest increased approximately \$1,745,000.
- Total program expenses of the County's governmental activities increased 7.8%, or approximately \$749,000. Non-program expenses increased approximately \$189,000 and roads and transportation expenses increased approximately \$522,000. Mental health expenses decreased approximately \$152,000.
- The County's net assets increased 9.0%, or approximately \$1,569,000, from June 30, 2009 to June 30, 2010.

### **USING THIS ANNUAL REPORT**

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

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the County's financial activities.
- The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of Greene County as a whole and present an overall view of the County's finances.
- The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Greene County's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Greene County acts solely as an agent or custodian for the benefit of those outside of county government (Agency Funds).
- Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.
- Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year, as well as presenting the Schedule of Funding Progress for the Retiree Health Plan.
- Other Supplementary Information provides detailed information about the nonmajor governmental and the individual Agency Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the County.

## **REPORTING THE COUNTY'S FINANCIAL ACTIVITIES**

### *Government-wide Financial Statements*

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

The Statement of Net Assets presents all of the County's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in the County's net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

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

### *Fund Financial Statements*

The County has two kinds of funds:

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

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

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

The required financial statements for proprietary funds include a statement of net assets, a statement of revenues, expenses and changes in fund net assets and a statement of cash flows.

3) Fiduciary funds are used to report assets held in a trust or agency capacity for others and cannot be used to support the County's own programs. These fiduciary funds include Agency Funds that account for drainage districts, emergency management services, the County Assessor and all the property tax funds necessary to collect and distribute property tax to schools, cities, townships and all other taxing authorities. Greene County excludes these activities from the government-wide financial statements because these assets cannot be used to finance its operations. Fiduciary funds report a liability, due to other governments, and, therefore, no fund balance is reported.

The required financial statement for fiduciary funds is a Statement of Fiduciary Assets and Liabilities.

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

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of financial position. The analysis below focuses on the changes in the County's net assets of governmental activities.

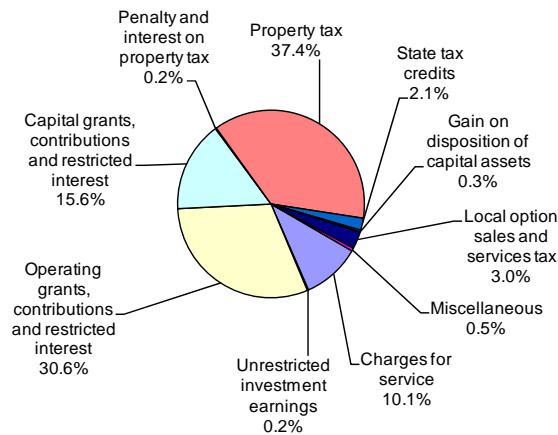
Net Assets of Governmental Activities (Expressed in Thousands)		
	June 30,	
	2010	2009
Current and other assets	\$ 10,337	9,687
Capital assets	14,852	13,365
Total assets	<u>25,189</u>	<u>23,052</u>
Long-term liabilities	602	480
Other liabilities	5,616	5,171
Total liabilities	<u>6,218</u>	<u>5,651</u>
Net assets:		
Invested in capital assets	14,852	13,365
Restricted	2,906	2,696
Unrestricted	1,212	1,340
Total net assets	<u>\$ 18,970</u>	<u>17,401</u>

Net assets of Greene County's governmental activities increased approximately \$1,569,000, or 9.0%. The largest portion of the County's net assets is invested in capital assets (e.g., land, infrastructure, buildings and equipment). Restricted net assets represent resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased from approximately \$1,340,000 at June 30, 2009 to approximately \$1,212,000 at the end of this year, a decrease of 9.6%.

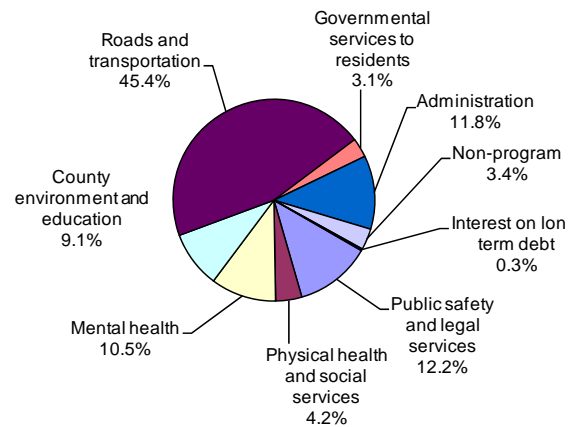
**Changes in Net Assets of Governmental Activities**  
(Expressed in Thousands)

	Year ended June 30,	
	2010	2009
Revenues:		
Program revenues:		
Charges for service	\$ 1,202	865
Operating grants, contributions and restricted interest	3,620	3,520
Capital grants, contributions and restricted interest	1,859	114
General revenues:		
Property tax	4,439	4,222
Penalty and interest on property tax	29	28
Local option sales and services tax	360	356
State tax credits	253	243
Unrestricted investment earnings	19	45
Gain on disposition of capital assets	41	40
Miscellaneous	66	53
Total revenues	11,888	9,486
Program expenses:		
Public safety and legal services	1,255	1,223
Physical health and social services	433	340
Mental health	1,088	1,240
County environment and education	939	928
Roads and transportation	4,681	4,159
Governmental services to residents	321	314
Administration	1,220	1,188
Non-program	354	165
Interest on long-term debt	28	13
Total expenses	10,319	9,570
Change in net assets	1,569	(84)
Net assets beginning of year	17,401	17,485
Net assets end of year	\$ 18,970	17,401

**Revenues by Source**



**Expenses by Program**



Greene County increased property tax levied county-wide by \$167,013, or 5.4%, and increased rural property tax levied by \$81,968, or 6.4%. Taxable valuation (without gas and electric utilities) for each and total dollars levied are as follows:

	For Taxes Levied By Fiscal Year	
	2010	2009
County-wide taxable valuation	\$ 482,484,401	457,479,667
Dollars levied county-wide	3,222,648	3,055,635
Rural taxable valuation	336,440,092	316,224,202
Dollars levied rural area only	1,364,153	1,282,185
Total dollars levied	4,586,801	4,337,820

County-wide property tax revenue is budgeted to increase approximately \$280,000 in fiscal year 2011, while rural services property tax revenue is budgeted to increase approximately \$166,000. County-wide taxable value (without gas and electric utilities) increased in fiscal year 2011 to \$526,949,700 (9.2%).

### INDIVIDUAL MAJOR FUND ANALYSIS

As Greene County completed the year, its governmental funds reported a combined fund balance of approximately \$3.83 million, a decrease of approximately \$23,600 from last year's total of approximately \$3.86 million. The following are reasons for the more significant changes in fund balances of the major funds from the prior year:

- General Fund revenues increased approximately \$18,000 while expenditures increased approximately \$354,000. The ending fund balance decreased approximately \$111,000 from the prior year to approximately \$1,404,000.
- The County has continued to look for ways to effectively manage the cost of mental health services. The County maintained its mental health levy rate at 100% of the maximum allowable levy in an effort to gain additional mental health growth dollars. The ending fund balance increased approximately \$326,000, or 480%, over the prior year ending fund balance to an ending fund balance of approximately \$393,000.
- The Rural Services Fund balance decreased approximately \$36,000, while transfers to the Secondary Roads Fund from the Rural Services Fund increased \$60,000. A portion of local option sales and services tax was used to bolster this fund balance as the levy rate was at the maximum.
- Secondary Roads Fund expenditures increased approximately \$569,000 from the prior year. The largest increase in expenditures occurred within the road maintenance program. The Secondary Roads fund balance at year end decreased approximately \$401,000.

### BUDGETARY HIGHLIGHTS

Over the course of the year, Greene County amended its budget one time. A May 2010 amendment resulted in an increase in budgeted receipts of \$675,553 and an increase in budgeted disbursements of \$219,623. The amendment reflected expected receipt of FEMA funds of nearly \$500,000, IJOBS revenue totaling nearly \$94,000, a Louis Dreyfus contribution totaling \$50,000, a \$40,000 reduction in estimated interest income and an increase in other miscellaneous income. Roads and transportation, administration, public safety and legal services and governmental services to residents budget function disbursements increased \$193,853, \$20,500, \$23,115 and \$55, respectively, while physical health and social services and county environment and education budget function disbursements decreased \$10,000 and \$7,900, respectively.

During the year, the following situations/actions impacted the County's budget:

- County-wide taxable valuation rose approximately \$ 25.0 million (5.5%) over the prior year's taxable valuation. Likewise, rural taxable valuation gained approximately \$20.2 million (6.4%).
- The local option sales tax monies to be expended for rural tax relief and rural betterment were used to complete some secondary roads projects (\$133,500), replace a sheriff vehicle (\$25,000), replace an ambulance (\$20,000), purchase land for a boat launch (\$27,900), provide funds toward bike trail repair (\$5,000) and boost the Rural Services Fund balance (\$86,500).

The County's cash basis receipts were approximately \$496,000 less than budgeted, a variance of 4.9%. A budget amendment in May reflected expected FEMA receipts, all of which were not received by fiscal year end.

Total cash basis disbursements were approximately \$688,000 less than the amended budget, a variance of 6.7%. The largest variance occurred within the mental health function where ARRA (stimulus) funds were used to reduce state billings to the county mental health expenses.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2010, Greene County had approximately \$14.9 million invested in a broad range of capital assets, including public safety equipment, building, park facilities, roads and bridges. This is a net increase (including additions and deletions) of approximately \$1,488,000, or 11%, over last year.

Capital Assets of Governmental Activities at Year End (Expressed in Thousands)		
	June 30,	
	2010	2009
Land	\$ 1,353	1,325
Construction in progress	1,305	-
Buildings and improvements	1,422	1,240
Equipment and vehicles	3,236	3,307
Infrastructure	7,536	7,492
Total	<u>\$ 14,852</u>	<u>13,364</u>

This year's major additions include construction in progress for secondary roads totaling approximately \$1,742,000.

The County had depreciation expense of \$941,514 in fiscal year 2010 and total accumulated depreciation of \$10,389,581 at June 30, 2010. More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

## **Long-Term Debt**

At June 30, 2010, Greene County had \$300,285 of outstanding drainage warrants compared to \$240,686 at June 30, 2009.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Greene County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2011 budget, tax rates and fees charged for various County activities. County-wide and rural valuations for property taxes rose nearly 5.5% and 6.4%, respectively, over the previous year's valuations. By retaining the same consolidated levy rate, County officials were able to raise nearly \$250,000 in additional dollars to maintain county fund balances at 20-25% of expenditures in accordance with management goals.

The Board of Supervisors agreed in fiscal year 2007 to provide \$45,000 per year for a total of five years to match funds being sought for the City of Jefferson Streetscape project. The County's contribution to this project was intended for improvements to the courthouse square area, i.e., property owned by the county, not the city. While budgeted, these funds were not expended as the Streetscape project was downsized. During fiscal year 2009 the County re-committed \$45,000 per year, for three years, plus \$50,000 of in-kind services for a scaled-down enhancement project. Approximately \$10,500 was expended at the end of fiscal year 2010 for engineering costs related to the project. No construction was begun.

During the year, the County began a \$2.9 million reconstruction project on the historic Eureka Bridge and its approach. Completion of this project is scheduled for the end of fiscal year 2011.

## **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Greene County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Greene County Auditor's Office, 114 N. Chestnut, Jefferson, Iowa 50129-2144.

**Greene County**



## **Basic Financial Statements**

Greene County  
Statement of Net Assets  
June 30, 2010

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and pooled investments	\$ 3,428,108
Receivables:	
Property tax:	
Delinquent	3,970
Succeeding year	4,963,000
Interest and penalty on property tax	6,395
Accounts	2,452
Accrued interest	1,581
Drainage assessments	300,285
Due from other governments	752,667
Inventories	878,432
Capital assets (net of accumulated depreciation)	<u>14,851,815</u>
<b>Total assets</b>	<u>25,188,705</u>
<b>Liabilities</b>	
Accounts payable	320,921
Salaries and benefits payable	7,734
Contracts payable	150,000
Due to other governments	140,905
Deferred revenue:	
Succeeding year property tax	4,963,000
Other	34,079
Long-term liabilities:	
Portion due or payable within one year:	
Compensated absences	245,352
Portion due or payable after one year:	
Drainage warrants	300,285
Compensated absences	30,042
OPEB Liability	<u>26,300</u>
<b>Total liabilities</b>	<u>6,218,618</u>
<b>Net Assets</b>	
Invested in capital assets	14,851,815
Restricted for:	
Supplemental levy purposes	278,471
Mental health purposes	394,990
Secondary roads purposes	1,335,437
Other purposes	897,506
Unrestricted	<u>1,211,868</u>
<b>Total net assets</b>	<u><u>\$ 18,970,087</u></u>

See notes to financial statements.

Greene County

Statement of Activities

Year ended June 30, 2010

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
<b>Functions/Programs:</b>					
Governmental activities:					
Public safety and legal services	\$ 1,254,999	162,505	6,602	-	(1,085,892)
Physical health and social services	433,401	11,750	171,764	-	(249,887)
Mental health	1,088,015	95,646	699,238	-	(293,131)
County environment and education	938,558	168,216	106,469	117,753	(546,120)
Roads and transportation	4,680,842	212,767	2,635,587	1,741,537	(90,951)
Governmental services to residents	320,889	180,355	-	-	(140,534)
Administration	1,220,021	12,521	-	-	(1,207,500)
Non-program	353,825	358,489	-	-	4,664
Interest on long-term debt	28,583	-	-	-	(28,583)
Total	<u>\$ 10,319,133</u>	<u>1,202,249</u>	<u>3,619,660</u>	<u>1,859,290</u>	<u>(3,637,934)</u>
<b>General Revenues:</b>					
Property and other county tax levied for general purposes					4,438,952
Penalty and interest on property tax					29,408
Local option sales and services tax					359,816
State tax credits					252,880
Unrestricted investment earnings					19,192
Gain on disposition of capital assets					41,360
Miscellaneous					65,528
Total general revenues					<u>5,207,136</u>
Change in net assets					1,569,202
Net assets beginning of year					<u>17,400,885</u>
Net assets end of year					<u>\$ 18,970,087</u>

See notes to financial statements.

Greene County  
Balance Sheet  
Governmental Funds

June 30, 2010

	General	Mental Health
<b>Assets</b>		
Cash and pooled investments	\$ 1,453,849	517,806
Receivables:		
Property tax:		
Delinquent	2,692	564
Succeeding year	2,857,000	599,000
Interest and penalty on property tax	6,395	-
Accounts	945	-
Accrued interest	1,107	-
Drainage assessments	-	-
Due from other funds	-	-
Due from other governments	55,864	21,094
Inventories	-	-
	<b>\$ 4,377,852</b>	<b>1,138,464</b>
<b>Liabilities and Fund Balances</b>		
Liabilities:		
Accounts payable	\$ 53,314	27,374
Salaries and benefits payable	5,046	391
Contracts payable	-	-
Due to other funds	1,385	-
Due to other governments	24,922	115,103
Deferred revenue:		
Succeeding year property tax	2,857,000	599,000
Other	32,665	3,338
Total liabilities	2,974,332	745,206
Fund balances:		
Reserved for:		
Supplemental levy purposes	274,638	-
Inventories	-	-
Drainage warrants	-	-
Unreserved, reported in:		
General fund	1,128,882	-
Special revenue funds	-	393,258
Capital projects fund	-	-
Total fund balances	1,403,520	393,258
	<b>\$ 4,377,852</b>	<b>1,138,464</b>

See notes to financial statements.

Special Revenue			
Rural Services	Secondary Roads	Nonmajor	Total
193,324	316,987	754,018	3,235,984
714	-	-	3,970
1,507,000	-	-	4,963,000
-	-	-	6,395
-	1,507	-	2,452
-	469	5	1,581
-	-	300,285	300,285
-	3,121	-	3,121
17,773	587,915	70,021	752,667
-	878,432	-	878,432
<b>1,718,811</b>	<b>1,788,431</b>	<b>1,124,329</b>	<b>10,147,887</b>
13,007	131,396	9,594	234,685
2,297	-	-	7,734
-	150,000	-	150,000
1,736	-	-	3,121
-	880	-	140,905
1,507,000	-	-	4,963,000
11,966	422,265	346,200	816,434
<b>1,536,006</b>	<b>704,541</b>	<b>355,794</b>	<b>6,315,879</b>
8,146	-	-	282,784
-	878,432	-	878,432
-	-	392,138	392,138
-	-	-	1,128,882
174,659	205,458	371,394	1,144,769
-	-	5,003	5,003
<b>182,805</b>	<b>1,083,890</b>	<b>768,535</b>	<b>3,832,008</b>
<b>1,718,811</b>	<b>1,788,431</b>	<b>1,124,329</b>	<b>10,147,887</b>

**Greene County**

Greene County

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

June 30, 2010

<b>Total governmental fund balances (page 19)</b>	\$	3,832,008
 <i>Amounts reported for governmental activities in the Statement of Net Assets are different because:</i>		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$25,241,439 and the accumulated depreciation is \$10,389,581.		14,851,815
Other long-term assets are not available to pay current year expenditures and, therefore, are deferred in the governmental funds.		782,355
The Internal Service Fund is used by management to charge the costs of health insurance to individual departments and funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Assets.		105,888
Long-term liabilities, including drainage warrants, compensated absences and other postemployment benefits payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds.		(601,979)
		(601,979)
<b>Net assets of governmental activities (page 16)</b>	<b>\$</b>	<b>18,970,087</b>
		<b>18,970,087</b>

See notes to financial statements.

Greene County

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

Year ended June 30, 2010

	General	Mental Health
Revenues:		
Property and other county tax	\$ 2,533,720	587,609
Local option sales and services tax	-	-
Interest and penalty on property tax	26,982	-
Intergovernmental	480,685	767,221
Licenses and permits	6,850	-
Charges for service	343,441	-
Use of money and property	24,910	-
Miscellaneous	32,073	58,074
Total revenues	3,448,661	1,412,904
Expenditures:		
Operating:		
Public safety and legal services	954,751	-
Physical health and social services	432,946	-
Mental health		1,087,399
County environment and education	542,801	-
Roads and transportation	-	-
Governmental services to residents	318,275	-
Administration	1,247,531	-
Debt service	-	-
Capital projects	-	-
Total expenditures	3,496,304	1,087,399
Excess (deficiency) of revenues over (under) expenditures	(47,643)	325,505
Other financing sources (uses):		
Sale of capital assets	1,231	-
Drainage warrants issued	-	-
Operating transfers in	-	-
Operating transfers out	(65,000)	-
Total other financing sources (uses)	(63,769)	-
Net change in fund balances	(111,412)	325,505
Fund balances beginning of year	1,514,932	67,753
Fund balances end of year	\$ 1,403,520	393,258

See notes to financial statements.



Special Revenue			
Rural Services	Secondary Roads	Nonmajor	Total
1,317,295	-	-	4,438,624
-	-	359,816	359,816
-	-	-	26,982
159,294	2,508,343	94,626	4,010,169
-	34,089	-	40,939
-	-	1,845	345,286
-	20,283	55	45,248
5,545	178,678	344,259	618,629
1,482,134	2,741,393	800,601	9,885,693
328,751	-	49,858	1,333,360
-	-	-	432,946
-	-	-	1,087,399
296,684	-	-	839,485
-	4,315,317	-	4,315,317
-	-	-	318,275
-	-	-	1,247,531
-	-	218,979	218,979
-	-	367,625	367,625
625,435	4,315,317	636,462	10,160,917
856,699	(1,573,924)	164,139	(275,224)
600	-	-	1,831
-	-	249,803	249,803
86,500	1,173,400	38,000	1,297,900
(980,000)	-	(252,900)	(1,297,900)
(892,900)	1,173,400	34,903	251,634
(36,201)	(400,524)	199,042	(23,590)
219,006	1,484,414	569,493	3,855,598
182,805	1,083,890	768,535	3,832,008

Greene County

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

Year ended June 30, 2010

**Net change in fund balances - Total governmental funds (page 23)** \$ (23,590)

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

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

Expenditures for capital assets	\$ 647,439	
Capital assets contributed by the Iowa Department of Transportation	1,741,537	
Depreciation expense	(941,514)	1,447,462
		<u>1,447,462</u>

In the Statement of Activities, the gain on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources. 39,529

Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are deferred in the governmental funds, as follows:

Property tax	328	
Other	121,151	121,479
		<u>121,479</u>

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Current year issuances exceeded repayments, as follows:

Issued	(249,803)	
Repaid	190,204	(59,599)
		<u>(59,599)</u>

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Compensated absences	(35,667)	
Other postemployment benefits	(26,300)	(61,967)
		<u>(61,967)</u>

The Internal Service Fund is used by management to charge the costs of health insurance to individual departments and funds. The increase in net assets of the Internal Service Fund is included in governmental activities in the Statement of Net Assets. 105,888

**Change in net assets of governmental activities (page 17)** \$ 1,569,202

See notes to financial statements.

Greene County  
Statement of Net Assets  
Proprietary Fund  
June 30, 2010

	<u>Internal Service - Employee Group Health</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 192,124
<b>Liabilities</b>	
Accounts payable	<u>86,236</u>
<b>Net Assets</b>	
Unrestricted	<u><u>\$ 105,888</u></u>

See notes to financial statements.

Greene County  
Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Proprietary Fund

Year ended June 30, 2010

		<u>Internal Service - Employee Group Health</u>
Operating revenues:		
Reimbursements from operating funds and other governmental units		\$ 507,484
Reimbursements from employees and others		72,237
Insurance reimbursements		4,857
Miscellaneous		<u>2,235</u>
Total operating revenues		586,813
Operating expenses:		
Medical claims	\$ 231,770	
Administrative and other fees	11,287	
Insurance premiums	157,621	
Prescription charges	<u>80,247</u>	<u>480,925</u>
Operating income		105,888
Net assets beginning of year		<u>-</u>
Net assets end of year		<u>\$ 105,888</u>

See notes to financial statements.

Greene County  
Statement of Cash Flows  
Proprietary Fund  
Year ended June 30, 2010

	Internal Service - Employee Group Health
Cash flows from operating activities:	
Cash received from operating funds and other reimbursements	\$ 581,955
Cash received from insurance reimbursements	4,857
Cash paid to suppliers for services	(394,688)
Net cash provided by operating activities	192,124
Cash and cash equivalents beginning of year	-
Cash and cash equivalents end of year	\$ 192,124
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 105,888
Adjustment to reconcile operating income to net cash provided by operating activities:	
Increase in accounts payable	86,236
Net cash provided by operating activities	\$ 192,124

See notes to financial statements.

Greene County  
Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2010

**Assets**

Cash and pooled investments:

County Treasurer	\$ 860,861
Other County officials	34,998

Receivables:

Property tax:

Delinquent	13,950
Succeeding year	12,458,000
Accounts	6,620
Special assessments	15,768

**Total assets**

13,390,197

**Liabilities**

Accounts payable	6,213
Due to other governments	13,331,751
Trusts payable	43,340
Compensated absences	8,893

**Total liabilities**

13,390,197

**Net assets**

\$ -

See notes to financial statements.

Greene County

Notes to Financial Statements

June 30, 2010

**(1) Summary of Significant Accounting Policies**

Greene County is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Treasurer, Recorder, Sheriff and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance and general administrative services.

The County's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Greene County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County.

These financial statements present Greene County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

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

Certain 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 Greene County Board of Supervisors. The drainage districts are reported as a Special Revenue Fund. The County has other drainage districts that are managed and supervised by elected trustees. The financial transactions of these districts are reported as an Agency Fund. Financial information for the individual drainage districts can be obtained from the Greene County Auditor's office.

The Raccoon River Valley Trail Association has been incorporated under Chapter 504A of the Code of Iowa to receive donations for the benefit of the Greene, Guthrie and Dallas County Conservation Boards. These donations are to be used to purchase items not included in the County's budget. The financial transactions of the Association are reported as a Special Revenue Fund.

Jointly Governed Organizations – The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Greene County Assessor's Conference Board, County Emergency Management Commission and Greene County E911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Agency Funds of the County.

The County also participates in the Central Iowa Juvenile Detention Center, Region V Hazardous Materials Response Commission and Region XII Council of Governments, jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa. In addition, the County participates in the following jointly governed organizations: Second Judicial District Department of Correctional Services, M & M Divide Resource Conservation & Development, Inc. and Greene County Development Corporation.

#### B. Basis of Presentation

Government-wide Financial Statements – The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the County and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenues and other nonexchange transactions.

The Statement of Net Assets presents the County's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories.

*Invested in capital assets* consists of capital assets, net of accumulated depreciation.

*Restricted net assets* result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net assets* consist of net assets not meeting the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management which can be removed or modified.

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



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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

The Secondary Roads Fund is used to account for secondary roads construction and maintenance.

Additionally, the County reports the following funds:

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

The proprietary fund of 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.

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

The County maintains its financial records on the cash basis. The financial statements of the County are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash and Pooled Investments – The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund unless otherwise provided by law. Investments are stated at fair value except for the investment in the Iowa Public Agency Investment Trust which is valued at amortized cost and 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, have a maturity date no longer than three months.

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax 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 in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2008 assessed property valuations; is for the tax accrual period July 1, 2009 through June 30, 2010 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2009.

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

Drainage Assessments Receivable – Drainage assessments receivable represent amounts assessed to individuals for work done on drainage districts which 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. Delinquent drainage assessments receivable represent assessments which are due and payable but have not been collected. Succeeding year drainage assessments receivable represents remaining assessments which are payable but not yet due.

Special Assessments Receivable – Special assessments receivable represent amounts due from individuals for work done which benefits 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 have been made but have not been collected.

Due from and Due to Other Funds – During the course of its operations, the County has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2010, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

Inventories – Inventories are valued at cost using the first-in, first-out method. Inventories in the Special Revenue Funds consist of expendable supplies held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Capital Assets – Capital assets, which include property, equipment and vehicles and infrastructure assets acquired after July 1, 2003 (e.g., roads, bridges, curbs, gutters, sidewalks and similar items which are immovable and of value only to the County), are reported in the governmental activities column in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are

recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Infrastructure	\$ 50,000
Intangibles	50,000
Land, buildings and improvements	25,000
Equipment and vehicles	5,000

Capital assets of the County are depreciated using the straight line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (In Years)
Buildings and improvements	25 - 50
Infrastructure	10 - 65
Equipment	2 - 20
Vehicles	5 - 15
Intangibles	5 - 20

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

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

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

Deferred revenue in the Statement of Net Assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and unspent grant proceeds.

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2010. The

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

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

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources.

Fund Equity – In the governmental fund financial statements, reservations of fund balance are reported for amounts not available for appropriation or legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2010, disbursements exceeded the amount budgeted in the physical health and social services function.

**(2) Cash and Pooled Investments**

The County's deposits in banks at June 30, 2010 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.

Investments are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

At June 30, 2010, the County had the following investments:

Type	Fair Value	Maturity
FNMA interest only strip	\$52	February 2017

In addition, the County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$609,845 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Interest rate risk. The County's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the County.

Credit risk. The investment in the Iowa Public Agency Investment Trust is unrated.

Concentration of credit risk. The County places no limit on the amount that may be invested in any one issuer.

**(3) Due From and Due to Other Funds**

The detail of interfund receivables and payables at June 30, 2010 is as follows:

Receivable Fund	Payable Fund	Amount
Special Revenue:		
Secondary Roads	General	\$ 1,385
	Special Revenue:	
	Rural Services	1,736
		\$ 3,121
Total		\$ 3,121

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

**(4) Interfund Transfers**

The detail of interfund transfers for the year ended June 30, 2010 is as follows:

Transfer to	Transfer from	Amount
Special Revenue:		
Secondary Roads	General	\$ 50,000
	Special Revenue:	
	Rural Services	980,000
	Local Option Sales Tax	143,400
		1,173,400
Rural Services	Special Revenue:	
	Local Option Sales Tax	86,500
Conservation Land Acquisition	General	15,000
Capital Projects	Special Revenue:	
	Local Option Sales Tax	5,000
Special Revenue:	Special Revenue:	
REAP	Local Option Sales Tax	18,000
		\$ 1,297,900
Total		\$ 1,297,900

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

**(5) Capital Assets**

Capital assets activity for the year ended June 30, 2010 was as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>End</u>
	<u>of Year</u>			<u>of Year</u>
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,325,206	27,900	-	1,353,106
Construction in progress	-	1,741,537	(436,099)	1,305,438
Total capital assets not being depreciated	<u>1,325,206</u>	<u>1,769,437</u>	<u>(436,099)</u>	<u>2,658,544</u>
Capital assets being depreciated:				
Buildings	2,156,192	222,469	-	2,378,661
Improvements other than buildings	83,059	-	-	83,059
Equipment and vehicles	7,500,039	470,199	(261,067)	7,709,171
Infrastructure, road network	11,975,862	436,099	-	12,411,961
Total capital assets being depreciated	<u>21,715,152</u>	<u>1,128,767</u>	<u>(261,067)</u>	<u>22,582,852</u>
Less accumulated depreciation for:				
Buildings	998,986	40,934	-	1,039,920
Equipment and vehicles	4,192,529	508,346	(227,467)	4,473,408
Infrastructure, road network	4,484,019	392,234	-	4,876,253
Total accumulated depreciation	<u>9,675,534</u>	<u>941,514</u>	<u>(227,467)</u>	<u>10,389,581</u>
Total capital assets being depreciated, net	<u>12,039,618</u>	<u>187,253</u>	<u>(33,600)</u>	<u>12,193,271</u>
Governmental activities capital assets, net	<u>\$ 13,364,824</u>	<u>1,956,690</u>	<u>(469,699)</u>	<u>14,851,815</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 53,553
Physical health and social services	600
County environment and education	41,149
Roads and transportation	808,114
Governmental services to residents	901
Administration	<u>37,197</u>
Total depreciation expense - governmental activities	<u>\$ 941,514</u>

**(6) Due to Other Governments**

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

Fund	Description	Amount
General	Services	\$ 24,922
Special Revenue:		
Mental Health	Services	115,103
Secondary Roads	Services	880
		<u>115,983</u>
Total for governmental funds		<u>\$ 140,905</u>
Agency:		
County Assessor	Collections	\$ 472,521
Schools		7,766,105
Community Colleges		499,906
Corporations		2,323,704
Auto License and Use Tax		230,807
County Hospital		1,600,628
All other		438,080
Total for agency funds		<u>\$ 13,331,751</u>

**(7) Changes in Long-Term Liabilities**

A summary of changes in long-term liabilities for the year ended June 30, 2010 is as follows:

	Drainage Warrants	Compensated Absences	Net OPEB Liability	Total
Balance beginning of year	\$ 240,686	239,727	-	480,413
Increases	249,803	256,251	26,300	532,354
Decreases	190,204	220,584	-	410,788
Balance end of year	<u>\$ 300,285</u>	<u>275,394</u>	<u>26,300</u>	<u>601,979</u>
Due within one year	<u>\$ -</u>	<u>245,352</u>	<u>-</u>	<u>245,352</u>

Drainage Warrants Payable

Drainage warrants are warrants which are legally drawn on drainage district funds but are not paid for lack of funds, in accordance with Chapter 74 of the Code of Iowa. The warrants bear interest at rates in effect at the time the warrants are first presented. Warrants will be paid as funds are available.

Drainage warrants are paid from the Special Revenue Fund solely from drainage assessments against benefited properties and grant money for emergency repairs.



**(8) Contingent Liabilities**

E911 Loan Agreement

On November 11, 2005, the E911 Service Board and the County, as cosigner on the note, entered into a loan agreement to borrow up to \$243,000 from Home State Bank for the purchase of Digital Data and Digital Products. The loan agreement is to be repaid in 10 annual installments of \$35,000, including interest at 4.80% per annum, beginning June 1, 2007. During the year ended June 30, 2010, the E911 Service Board paid principal of \$28,735 on the loan.

The County is contingently liable on the \$102,006 note outstanding at June 30, 2010. Since the interest and note principal is currently paid out of E911 Service Board revenues, this liability has not been recorded in the Statement of Net Assets. However, since the County has cosigned the note, if the revenues of the E911 Service Board are not adequate, a tax may be levied on all taxable property in the County to repay the note.

The transactions for this loan are accounted for in an Agency Fund. The assets and liabilities of the E911 Service Board Fund, an Agency Fund included as part of Other Agency Funds, are reported on the modified accrual basis. Accordingly, the assets purchased and bank note payable by the E911 Service Board have not been reported in the E911 Service Board Fund.

Medical Center Revenue Bonds

On March 1, 1998, the County issued \$2,405,000 of general obligation refunding bonds, with interest at rates ranging from 3.95% to 4.85% per annum, to refund outstanding general obligation bonds issued in 1991 for the Greene County Medical Center.

The County entered into an irrevocable escrow agreement with Bankers Trust Company and deposited cash sufficient to retire the 1991 bonds when callable on May 1, 2001. These bonds were called on May 1, 2001 and are no longer outstanding.

The County is contingently liable on the general obligation refunding bonds. Since the interest and bond principal are currently paid from an annual tax levy certified by the Hospital Board of Trustees, this liability has not been recorded in the Statement of Net Assets. However, since the bonds are a general obligation of the County, a tax may be levied on all taxable property in the County if the revenues of the Greene County Medical Center in future years are not adequate to pay the bond principal and interest. The transactions for this bond issue are accounted for in an Agency Fund.

Details of this general obligation refunding bond indebtedness at June 30, 2010 are as follows:

Year	Interest Rates	Principal	Interest	Total
Ending June 30, 2011	4.85%	\$ 240,000	11,640	251,640

**(9) 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.

Most regular plan members are required to contribute 4.30% of their annual covered salary and the County is required to contribute 6.65% of covered salary. Certain employees in special risk occupations and the County contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2010, 2009 and 2008 were \$ 216,560, \$193,712 and \$169,577, respectively, equal to the required contributions for each year.

**(10) Other Postemployment Benefits (OPEB)**

The County implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits other Than Pensions, during the year ended June 30, 2010.

Plan Description. The County operates a single-employer retiree benefit plan which provides medical/prescription drug benefits for retirees and their spouses. There are 74 active and no retired members in the plan. Retired participants must be age 55 or older at retirement.

The medical/prescription drug benefits, which is a partially self-funded medical plan, is administered by First Administrators. Retirees under age 65 would pay the same premium for the medical/prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Funding Policy. The contribution requirements of plan members are established and may be amended by the County. The County currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation. The County's annual OPEB cost is calculated based on the annual required contribution (ARC) of the County, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding which, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the County's annual OPEB cost for the year ended June 30, 2010, the amount actually contributed to the plan and changes in the County's net OPEB obligation:

Annual required contribution	\$ 28,900
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	28,900
Contributions made	<u>(2,600)</u>
Increase in net OPEB obligation	26,300
Net OPEB obligation beginning of year	-
Net OPEB obligation end of year	<u>\$ 26,300</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2010.

For the year ended June 30, 2010, the County contributed \$2,600 to the medical plan and there were no contributions by plan members eligible for benefits.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2010 are summarized as follows:

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 28,900	9.0%	\$ 26,300

Funded Status and Funding Progress. As of July 1, 2009, the most recent actuarial valuation date for the period July 1, 2009 through June 30, 2010, the actuarial accrued liability was \$262,200, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$262,200. The covered payroll (annual payroll of active employees covered by the plan) was \$2,729,000 and the ratio of the UAAL to covered payroll was 9.6%. As of June 30, 2010, there were no trust fund assets.

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as Required Supplementary Information in the section following the Notes to Financial Statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2009 actuarial valuation date, the unit credit actuarial cost method was used. The actuarial assumptions include a 4% discount rate based on the County's funding policy. The projected annual medical trend rate is 10%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 0.5% each year until reaching the 5% ultimate trend rate.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities mirror those used for IPERS.

Projected claim costs of the medical plan are \$960 per month for retirees less than age 65. The salary increase rate was assumed to be 3% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

**(11) Risk Management**

The 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 whose 634 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability,

automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. 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 200 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 contributions to the Pool for the year ended June 30, 2010 were \$ 133,643.

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 \$350,000 per claim. Claims exceeding \$350,000 are reinsured in an amount not to exceed \$2,650,000 per claim and \$10,000,000 in the aggregate per year. For members requiring specific coverage from \$3,000,000 to \$10,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$150,000 each occurrence, each location, with excess coverage 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 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 such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2010, no liability has been recorded in the County's financial statements. As of June 30, 2010, settled claims have not exceeded the risk pool or reinsurance coverage since the pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their capital contributions. If a member withdraws 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 in the amount of \$500,000 and \$100,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**(12) Deficit Fund Balance**

The Special Revenue, Conservation Land Acquisition Fund had a deficit balance of \$11,248 at June 30, 2010. The deficit balance was a result of costs incurred prior to availability of funds.

**(13) Employee Health Insurance Plan**

The Internal Service, Employee Group Health Fund was established January 1, 2010 to account for the partial self funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with First Administrators. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of \$25,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to First Administrators from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2010 was \$507,484.

Amounts payable from the Employee Group Health Fund at June 30, 2010 total \$86,236, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior year and current year claims and to establish a reserve for catastrophic losses. That reserve was \$105,888 at June 30, 2010 and is reported as a designation of the Internal Service, Employee Group Health Fund net assets. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid claims beginning of year	\$ -
Incurred claims (including claims incurred but not reported at June 30, 2010)	312,017
Payments on claims during the year	<u>(225,781)</u>
Unpaid claims end of year	<u><u>\$ 86,236</u></u>

**(14) Construction Commitment**

The County entered into a contract totaling \$2,923,607 for a bridge reconstruction project. As of June 30, 2010, costs of \$1,275,438 on the project have been incurred. The balance of \$1,648,169 remaining on the project at June 30, 2010 will be paid as work on the project progresses.

**Greene County**

**Required Supplementary Information**

Greene County

Budgetary Comparison Schedule of  
Receipts, Disbursements and Changes in Balances -  
Budget and Actual (Cash Basis) – All Governmental Funds

Required Supplementary Information

Year ended June 30, 2010

	Actual	Less Funds not Required to be Budgeted	Net
<b>Receipts:</b>			
Property and other county tax	\$ 4,791,769	-	4,791,769
Interest and penalty on property tax	26,567	-	26,567
Intergovernmental	4,007,863	5,890	4,001,973
Licenses and permits	38,883	-	38,883
Charges for service	347,077	-	347,077
Use of money and property	44,612	-	44,612
Miscellaneous	586,745	290,171	296,574
Total receipts	<u>9,843,516</u>	<u>296,061</u>	<u>9,547,455</u>
<b>Disbursements:</b>			
Public safety and legal services	1,339,070	-	1,339,070
Physical health and social services	451,999	-	451,999
Mental health	1,089,924	-	1,089,924
County environment and education	823,079	-	823,079
Roads and transportation	4,214,442	-	4,214,442
Governmental services to residents	316,471	-	316,471
Administration	1,262,421	-	1,262,421
Debt service	28,583	28,583	-
Capital projects	434,111	384,111	50,000
Total disbursements	<u>9,960,100</u>	<u>412,694</u>	<u>9,547,406</u>
Excess (deficiency) of receipts over (under) disbursements	(116,584)	(116,633)	49
Other financing sources, net	61,238	59,406	1,832
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	<u>(55,346)</u>	<u>(57,227)</u>	<u>1,881</u>
Balance beginning of year	<u>3,291,330</u>	<u>498,886</u>	<u>2,792,444</u>
Balance end of year	<u>\$ 3,235,984</u>	<u>441,659</u>	<u>2,794,325</u>

See accompanying independent auditor's report.



Budgeted Amounts		Final to Net
Original	Final	Variance
4,771,694	4,787,489	4,280
2,500	7,500	19,067
3,825,037	4,369,795	(367,822)
9,442	9,442	29,441
352,900	352,900	(5,823)
81,768	41,768	2,844
324,900	474,900	(178,326)
9,368,241	10,043,794	(496,339)
1,329,020	1,352,135	13,065
366,596	356,596	(95,403)
1,447,159	1,447,159	357,235
935,167	927,267	104,188
4,104,446	4,298,299	83,857
327,853	327,908	11,437
1,330,301	1,350,801	88,380
-	-	-
175,000	175,000	125,000
10,015,542	10,235,165	687,759
(647,301)	(191,371)	191,420
-	-	1,832
(647,301)	(191,371)	193,252
2,950,635	2,774,040	18,404
2,303,334	2,582,669	211,656

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Greene County  
 Budgetary Comparison Schedule - Budget to GAAP Reconciliation  
 Required Supplementary Information  
 Year ended June 30, 2010

	Governmental Funds		
	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis
Revenues	\$ 9,843,516	42,177	9,885,693
Expenditures	9,960,100	200,817	10,160,917
Net	(116,584)	(158,640)	(275,224)
Other financing sources (uses), net	61,238	190,396	251,634
Beginning fund balances	3,291,330	564,268	3,855,598
Ending fund balances	\$ 3,235,984	596,024	3,832,008

See accompanying independent auditor's report.

Greene County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2010

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

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except blended component units, the Internal Service Fund 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 10 major classes of expenditures known as functions, not by fund. These 10 functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, one budget amendment increased budgeted disbursements by \$219,623. The budget amendment is reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2010, disbursements exceeded the amount budgeted in the physical health and social services function.

Greene County

Schedule of Funding Progress for the  
Retiree Health Plan  
(In Thousands)

Required Supplementary Information

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	Jul 1, 2009	-	\$ 262	262	0.00%	\$ 2,729	9.60%

See Note 10 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

**Other Supplementary Information**

Greene County  
 Combining Balance Sheet  
 Nonmajor Governmental Funds

June 30, 2010

	County Recorder's Records Management	REAP	Forfeiture	Special Drainage Districts
<b>Assets</b>				
Cash and pooled investments	\$ 6,121	61,459	3,743	416,978
Receivables:				
Accrued interest	2	3	-	-
Drainage assessments	-	-	-	300,285
Due from other governments	-	-	-	11,835
<b>Total assets</b>	<b>\$ 6,123</b>	<b>61,462</b>	<b>3,743</b>	<b>729,098</b>
<b>Liabilities and Fund Equity</b>				
Liabilities:				
Accounts payable	\$ -	-	-	3,841
Deferred revenue	-	-	-	333,119
Total liabilities	-	-	-	336,960
Fund equity:				
Fund balances:				
Reserved for drainage warrants	-	-	-	392,138
Unreserved, reported in:				
Special revenue funds	6,123	61,462	3,743	-
Capital projects fund	-	-	-	-
Total fund equity	6,123	61,462	3,743	392,138
<b>Total liabilities and fund equity</b>	<b>\$ 6,123</b>	<b>61,462</b>	<b>3,743</b>	<b>729,098</b>

See accompanying independent auditor's report.

Revenue						
Conservation Land Acquisition	Local Option Sales Tax	K-9	Raccoon River Valley Trail Association	Louis Dreyfus	Capital Projects	Total
7,580	176,780	1,673	24,681	50,000	5,003	754,018
-	-	-	-	-	-	5
-	-	-	-	-	-	300,285
-	58,186	-	-	-	-	70,021
7,580	234,966	1,673	24,681	50,000	5,003	1,124,329
5,747	-	6	-	-	-	9,594
13,081	-	-	-	-	-	346,200
18,828	-	6	-	-	-	355,794
-	-	-	-	-	-	392,138
(11,248)	234,966	1,667	24,681	50,000	-	371,394
-	-	-	-	-	5,003	5,003
(11,248)	234,966	1,667	24,681	50,000	5,003	768,535
7,580	234,966	1,673	24,681	50,000	5,003	1,124,329

Greene County

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

Year ended June 30, 2010

	County Recorder's Records Management	REAP	Forfeiture	Special Drainage Districts
Revenues:				
Local option sales and services tax	\$ -	-	-	-
Intergovernmental	-	15,935	-	78,691
Charges for service	1,845	-	-	-
Use of money and property	27	28	-	-
Miscellaneous	-	-	2,955	234,612
Total revenues	<u>1,872</u>	<u>15,963</u>	<u>2,955</u>	<u>313,303</u>
Expenditures:				
Operating:				
Public safety and legal services	-	-	4,180	-
Debt service	-	-	-	218,979
Capital projects	-	33,705	-	257,519
Total expenditures	<u>-</u>	<u>33,705</u>	<u>4,180</u>	<u>476,498</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,872</u>	<u>(17,742)</u>	<u>(1,225)</u>	<u>(163,195)</u>
Other financing sources (uses):				
Drainage warrants issued	-	-	-	249,803
Operating transfers in	-	18,000	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>18,000</u>	<u>-</u>	<u>249,803</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>1,872</u>	<u>258</u>	<u>(1,225)</u>	<u>86,608</u>
Fund balances beginning of year	<u>4,251</u>	<u>61,204</u>	<u>4,968</u>	<u>305,530</u>
Fund balances end of year	<u>\$ 6,123</u>	<u>61,462</u>	<u>3,743</u>	<u>392,138</u>

See accompanying independent auditor's report.



Revenue						
Conservation Land Acquisition	Local Option Sales Tax	K-9	Raccoon River Valley Trail Association	Louis Dreyfus	Capital Projects	Total
-	359,816	-	-	-	-	359,816
-	-	-	-	-	-	94,626
-	-	-	-	-	-	1,845
-	-	-	-	-	-	55
25	-	1,109	55,558	50,000	-	344,259
25	359,816	1,109	55,558	50,000	-	800,601
-	45,000	678	-	-	-	49,858
-	-	-	-	-	-	218,979
6,247	-	-	70,154	-	-	367,625
6,247	45,000	678	70,154	-	-	636,462
(6,222)	314,816	431	(14,596)	50,000	-	164,139
-	-	-	-	-	-	249,803
15,000	-	-	-	-	5,000	38,000
-	(252,900)	-	-	-	-	(252,900)
15,000	(252,900)	-	-	-	5,000	34,903
8,778	61,916	431	(14,596)	50,000	5,000	199,042
(20,026)	173,050	1,236	39,277		3	569,493
(11,248)	234,966	1,667	24,681	50,000	5,003	768,535

Greene County  
Combining Schedule of Fiduciary Assets and Liabilities  
Agency Funds

June 30, 2010

	County Offices	Agricultural Extension Education	County Assessor	Schools
<b>Assets</b>				
Cash and pooled investments:				
County Treasurer	\$ -	2,106	221,452	107,788
Other County officials	34,998	-	-	-
Receivables:				
Property tax:				
Delinquent	-	147	245	7,317
Succeeding year	-	156,000	260,000	7,651,000
Accounts	6,620	-	-	-
Special assessments	-	-	-	-
<b>Total assets</b>	<b>\$ 41,618</b>	<b>158,253</b>	<b>481,697</b>	<b>7,766,105</b>
<b>Liabilities</b>				
Accounts payable	\$ 5,930	-	283	-
Due to other governments	14,892	158,253	472,521	7,766,105
Trusts payable	20,796	-	-	-
Compensated absences	-	-	8,893	-
<b>Total liabilities</b>	<b>\$ 41,618</b>	<b>158,253</b>	<b>481,697</b>	<b>7,766,105</b>

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	County Hospital	Other	Total
6,427	34,400	2,491	6,221	230,807	174,287	74,882	860,861
-	-	-	-	-	-	-	34,998
479	4,304	115	-	-	1,341	2	13,950
493,000	2,285,000	186,000	-	-	1,425,000	2,000	12,458,000
-	-	-	-	-	-	-	6,620
-	-	-	15,768	-	-	-	15,768
499,906	2,323,704	188,606	21,989	230,807	1,600,628	76,884	13,390,197
-	-	-	-	-	-	-	6,213
499,906	2,323,704	188,606	21,989	230,807	1,600,628	54,340	13,331,751
-	-	-	-	-	-	22,544	43,340
-	-	-	-	-	-	-	8,893
499,906	2,323,704	188,606	21,989	230,807	1,600,628	76,884	13,390,197

Greene County

Combining Schedule of Changes in Fiduciary Assets and Liabilities  
Agency Funds

Year ended June 30, 2010

	County Offices	Agricultural Extension Education	County Assessor	Schools
<b>Assets and Liabilities</b>				
Balances beginning of year	\$ 28,130	142,168	442,983	7,257,833
Additions:				
Property and other county tax	-	156,406	260,095	7,647,155
State tax credits	-	7,948	17,049	405,580
E911 surcharge	-	-	-	-
Office fees and collections	246,916	-	807	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	253,250	-	-	-
Miscellaneous	5,556	-	-	-
Total additions	505,722	164,354	277,951	8,052,735
Deductions:				
Agency remittances:				
To other funds	114,454	-	-	-
To other governments	137,038	148,269	239,237	7,544,463
Trusts paid out	240,742	-	-	-
Total deductions	492,234	148,269	239,237	7,544,463
Balances end of year	\$ 41,618	158,253	481,697	7,766,105

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	County Hospital	Other	Total
432,284	2,194,671	174,940	13,068	225,466	1,459,453	67,054	12,438,050
492,940	2,287,371	185,275	-	-	1,423,470	2,405	12,455,117
24,139	109,440	9,901	-	-	72,524	79	646,660
-	-	-	-	-	-	91,482	91,482
-	-	-	-	-	-	5,412	253,135
-	-	-	-	2,683,037	-	-	2,683,037
-	-	-	36,370	-	-	-	36,370
-	-	-	-	-	-	-	253,250
-	-	-	-	-	-	47,780	53,336
517,079	2,396,811	195,176	36,370	2,683,037	1,495,994	147,158	16,472,387
-	-	-	-	109,597	-	-	224,051
449,457	2,267,778	181,510	27,449	2,568,099	1,354,819	137,328	15,055,447
-	-	-	-	-	-	-	240,742
449,457	2,267,778	181,510	27,449	2,677,696	1,354,819	137,328	15,520,240
499,906	2,323,704	188,606	21,989	230,807	1,600,628	76,884	13,390,197

Greene County

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

For the Last Ten Years

	2010	2009	2008	Modified 2007
<b>Revenues:</b>				
Property and other county tax	\$ 4,438,624	4,220,867	3,956,141	4,069,403
Local option sales and services tax	359,816	356,170	281,558	127,529
Interest and penalty on property tax	26,982	26,415	24,310	24,353
Intergovernmental	4,010,169	4,300,228	3,746,259	3,796,036
Licenses and permits	40,939	41,346	43,750	37,922
Charges for service	345,286	351,902	328,665	339,564
Use of money and property	45,248	70,207	161,155	198,307
Fines, forfeitures and defaults	-	-	-	-
Miscellaneous	618,629	358,326	577,460	297,837
<b>Total</b>	<b>\$ 9,885,693</b>	<b>9,725,461</b>	<b>9,119,298</b>	<b>8,890,951</b>
<b>Expenditures:</b>				
<b>Operating:</b>				
Public safety and legal services	\$ 1,333,360	1,225,669	1,155,960	1,073,381
Physical health and social services	432,946	340,039	269,015	275,513
Mental health	1,087,399	1,240,352	1,437,086	1,362,286
County environment and education	839,485	734,774	1,078,820	964,617
Roads and transportation	4,315,317	3,700,267	3,950,150	3,399,286
Governmental services to residents	318,275	321,528	291,266	273,210
Administration	1,247,531	1,185,034	1,100,080	1,213,871
Non-program	-	-	-	4,296
Debt service	218,979	137,275	147,472	12,604
Capital projects	367,625	477,540	370,306	223,843
<b>Total</b>	<b>\$ 10,160,917</b>	<b>9,362,478</b>	<b>9,800,155</b>	<b>8,802,907</b>

See accompanying independent auditor's report.

Accrual Basis					
2006	2005	2004	2003	2002	2001
3,986,253	3,640,552	3,877,732	3,902,119	3,919,675	3,810,728
-	-	-	-	-	-
35,501	29,058	27,398	27,660	22,838	20,086
3,914,161	3,441,682	3,694,585	3,860,912	3,809,673	3,754,997
35,578	32,157	17,760	8,082	2,722	1,517
343,893	318,495	331,423	378,589	277,477	282,444
122,668	80,580	44,253	65,497	101,981	161,709
-	-	-	-	4,475	11,984
252,281	185,920	218,601	787,417	531,250	382,774
8,690,335	7,728,444	8,211,752	9,030,276	8,670,091	8,426,239
1,019,817	964,140	1,039,041	1,007,160	1,005,995	967,785
259,664	250,503	279,004	163,267	146,692	159,243
1,276,025	1,189,201	1,195,522	1,305,554	1,204,554	1,331,577
739,948	691,979	648,394	700,151	642,927	684,435
3,325,074	2,999,673	3,368,306	2,967,035	3,934,224	2,745,011
340,250	271,529	234,034	223,006	216,302	216,062
1,086,544	1,044,304	991,378	965,603	985,066	146,189
28,753	7,601	12,717	89,196	88,079	328,630
369,683	48,197	59,597	514,055	344,386	903,977
425,752	222,409	601,710	613,615	744,749	373,195
8,871,510	7,689,536	8,429,703	8,548,642	9,312,974	7,856,104

**Schedule 6**

## Greene County

## Schedule of Expenditures of Federal Awards

Year ended June 30, 2010

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ <u>3,993</u>
U.S. Department of Housing and Urban Development:			
Iowa Department of Economic Development:			
HOME Investment Partnerships Program	14.239	03-HM-109-65	<u>133,597</u>
Iowa Department of Public Safety - Governor's Traffic Safety Bureau:			
Safety Incentive Grants for Use of Seatbelts	20.604	PAP 10-406, Task 69	4,500
Safety Incentive Grants for Use of Seatbelts	20.604	PAP 09-406, Task 68	143
			<u>4,643</u>
U.S. Department of Education:			
Iowa Department of Transportation:			
ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	S397A090016A	<u>25,659</u>
U.S. Department of Health and Human Services:			
Iowa Department of Human Services:			
Public Health Emergency Preparedness	93.069	5880BT37	<u>66,239</u>
Human Services Administrative Reimbursements:			
Temporary Assistance for Needy Families	93.558		<u>1,976</u>
Refugee and Entrant Assistance - State Administered Programs	93.566		<u>11</u>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		<u>1,041</u>
Foster Care - Title IV-E	93.658		<u>2,136</u>
Adoption Assistance	93.659		<u>532</u>
State Children's Insurance Program	93.767		<u>24</u>
Medical Assistance Program	93.778		<u>4,509</u>
Social Services Block Grant	93.667		<u>2,098</u>
Social Services Block Grant	93.667		<u>37,572</u>
			<u>39,670</u>



Greene County  
 Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2010

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Indirect (continued):			
U.S. Department of Homeland Security:			
Iowa Department of Public Defense - Iowa Homeland Security and Emergency Management Division:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-1763-DR-IA	195,347
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-1763-DR-IA	78,691
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-1880-DR-IA	5,965
			<u>280,003</u>
Homeland Security Grant Program	97.067	2006-GE-T6-0065-001	29,692
Homeland Security Grant Program	97.067	2006-GE-T7-0032-001	18,301
			<u>47,993</u>
Total			<u>\$ 612,026</u>

**Basis of Presentation** – The Schedule of Expenditures of Federal Awards includes the federal grant activity of Greene 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 basic financial statements.

See accompanying independent auditor's report.

**Greene County**



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

David A. Vaudt, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

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

To the Officials of Greene County:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Greene County, Iowa, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements listed in the table of contents, and have issued our report thereon dated May 27, 2011. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Greene County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Greene County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Greene County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting we consider to be material weaknesses and other deficiencies we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, such that there is a reasonable possibility a material misstatement of the County's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies in internal control described in Part II of the accompanying Schedule of Findings and Questioned Costs as items II-A-10 and II-B-10 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in Part II of the accompanying Schedule of Findings and Questioned Costs as items II-C-10 through II-I-10 to be significant deficiencies.

## Compliance and Other Matters

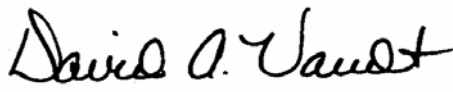
As part of obtaining reasonable assurance about whether Greene County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the 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 or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters which are described in 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, 2010 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

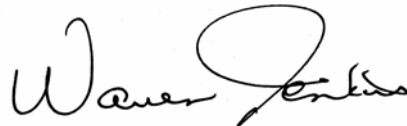
Greene County's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the County's responses, we did not audit Greene County's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Greene County and other parties to whom Greene County may report, including federal awarding agencies and pass-through entities, and 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 Greene 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.



DAVID A. VAUDT, CPA  
Auditor of State



WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

May 27, 2011

**Greene County**

**Independent Auditor's Report on Compliance  
with Requirements That Could Have a Direct and Material Effect  
on Each Major Program and on Internal Control over Compliance in Accordance  
with OMB Circular A-133**



# OFFICE OF AUDITOR OF STATE

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Independent Auditor's Report on Compliance  
with Requirements That Could Have a Direct and Material Effect  
on Each Major Program and on Internal Control over Compliance in Accordance  
with OMB Circular A-133

To the Officials of Greene County:

### Compliance

We have audited Greene County, Iowa's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal programs for the year ended June 30, 2010. Greene County's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major federal programs is the responsibility of Greene County's management. Our responsibility is to express an opinion on Greene County's compliance based on our audit.

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

In our opinion, Greene County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

### Internal Control Over Compliance

The management of Greene County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered Greene 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Greene County's internal control over compliance.

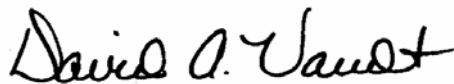
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of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

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

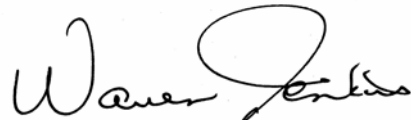
A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items III-A-10 and III-B-10 to be significant deficiencies.

Greene County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the County's responses, we did not audit Greene County's responses and, accordingly, we express no opinion on them.

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



DAVID A. VAUDT, CPA  
Auditor of State



WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

May 27, 2011



Greene County  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2010

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

- a) Unqualified opinions were issued on the financial statements.
- b) Significant deficiencies and material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- c) The audit did not disclose any non-compliance which is material to the financial statements.
- d) Significant deficiencies in internal control over the major programs were disclosed by the audit of the financial statements, none of which were considered to be material weaknesses.
- e) An unqualified opinion was issued on compliance with requirements applicable to the major programs.
- f) The audit disclosed 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 programs were as follows:
  - CFDA Number 14.239 – Home Investment Partnerships Program
  - CFDA Number 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)
- h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- i) Greene County did not qualify as a low-risk auditee.

Greene County

Schedule of Findings and Questioned Costs

Year ended June 30, 2010

**Part II: Findings Related to the Financial Statements:**

**INTERNAL CONTROL DEFICIENCIES:**

II-A-10 Segregation of Duties – During our review of internal control, the existing procedures are evaluated in order to determine 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’s financial statements. Generally, one or two individuals in the offices identified may have control over the following areas for which no compensating controls exist:

	<u>Applicable Offices</u>
Receipts – opening and listing mail receipts (at least on a test basis), collecting, depositing, posting and daily reconciling and change fund custodian.	Treasurer, Sheriff and County Extension Office

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, each official should review the operating procedures of their office to obtain the maximum internal control possible under the circumstances. The officials should utilize current personnel to provide additional control through review of financial transactions, reconciliations and reports.

Responses –

County Treasurer – I will continue to work on the segregation of checking mail receipts, collecting, deposits, posting and daily reconciling and change fund.

County Sheriff – I have been assisting with the opening of the daily mail and noting all incoming checks and monies into a mail log for the past year. I also check our receipts and cash book. I also record and make a secondary review of each month’s reconciliation bank statements. I will try also to check receipt numbers and dates of deposits.

County Extension Office – Operating procedures for the Greene County Office are reviewed by the Greene County Extension Council prior to being implemented to ensure maximum control is enforced by those procedures. As part of the standard operating procedure, all financial transactions are receipted or documented and then recorded in the County’s Iowa State University Extension supported accounting system. Reconciliations and financial reports produced are reviewed by the Greene County Extension Council Treasurer.

Additional steps have been taken to further separate duties among the staff. The person who opens the mail is not in charge of the cash box. The person in charge of the cash box does not prepare the deposit slips. The person who delivers the deposit to the bank does not prepare or post the deposits. All reports are still produced from the County accounting system and reviewed by the Extension Council Treasurer, ISU Extension Finance and the Extension Council for completeness and accuracy.

Greene County

Schedule of Findings and Questioned Costs

Year ended June 30, 2010

Given the limited number of office employees and the direct accountability to the Extension Council Treasurer, we feel we have implemented the best practices available to us to limit the exposure to losses based on segregation of duties. Taking further additional steps may lead to added cost for internal control which would exceed the anticipated benefits.

Conclusions – Responses accepted.

- II-B-10 Financial Reporting – During the audit, we identified material amounts of payables that were not recorded in the County’s financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

Recommendation – The County should implement procedures to ensure all payables are identified and included in the County’s financial statements.

Response – We agree. After discussion with the auditors, the amount owed on the armory purchase was included as a 2010 liability.

Conclusion – Response accepted.

- II-C-10 Compensated Absences – Certain employees have accumulated vacation and compensatory time hours in excess of the maximum hours allowed to be carried forward to the next year under the County’s personnel policy and union agreement.

Recommendation – The County should comply with its personnel policy and union agreement.

Response – We agree.

Conclusion – Response accepted.

- II-D-10 Computer Systems – During our review of internal control, the existing control activities in the County’s computer based systems were evaluated in order to determine activities, from a control standpoint, were designed to provide reasonable assurance regarding the achievement of objectives in the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations. The following weaknesses in the County’s computer based systems were noted:

- Although the County has a written policy requiring the computer system to have an automatic log off function after a specified period of inactivity, this has not been implemented on all computers.
- The County does not have a written disaster recovery plan.

Recommendation – The County should implement an automatic log off function on all computers on the system. Also, a written disaster recovery plan should be developed.

Greene County

Schedule of Findings and Questioned Costs

Year ended June 30, 2010

Response – We agree. An automatic lockdown policy has now been implemented. The County has removed the automatic log off function from its IT policy. The disaster recovery plan is being written.

Conclusion – Response accepted.

- II-E-10 County Treasurer – Monthly reconciliations of the Treasurer’s general ledger accounts to the bank were performed, but variances were not resolved. The general ledger balance exceeded the bank balance by \$2,908 at June 30, 2008, by \$48 at June 30, 2009 and by \$2,531 at June 30, 2010.

Recommendation – Monthly bank reconciliations should be performed and variances between book and bank balances should be investigated and resolved in a timely manner to improve financial accountability and control.

Response – I will continue to work on the reconciliation variances and investigate book and bank balances in a timely manner.

Conclusion – Response accepted.

- II-F-10 Inventory – Inventory counts are not performed by an individual who does not handle inventory records.

Recommendation – Inventory counts should be performed periodically by an individual who does not handle the inventory records.

Response – We will comply.

Conclusion – Response accepted.

- II-G-10 County Sheriff – Monthly reconciliations of the Sheriff’s ledger to the bank were not prepared and reviewed by an independent person until the end of the fiscal year.

Recommendation – To improve financial accountability and control, monthly bank reconciliations should be prepared timely and reviewed for propriety by an independent person. The review should be evidenced by the reviewer’s initials and date of review.

Response – Bank reconciliations will be done monthly and I will review them in a timely fashion.

Conclusion – Response accepted.

- II-H-10 Checks – Checks are signed prior to approval of the Board of Supervisors.

Recommendation – Procedures should be implemented to ensure Board of Supervisor approval is obtained prior to signing checks.

Response – We agree.

Conclusion – Response accepted.

Greene County

Schedule of Findings and Questioned Costs

Year ended June 30, 2010

- II-I-10 Timesheet approval – Certain department supervisors approve their own timesheets.
- Recommendation – Procedures should be implemented to ensure timesheets are approved by an independent person.
- Response – We agree and have implemented this procedure.
- Conclusion – Response accepted.

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

Greene County

Schedule of Findings and Questioned Costs

Year ended June 30, 2010

**Part III: Findings and Questioned Costs for Federal Awards:**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**SIGNIFICANT DEFICIENCIES:**

**CFDA Number 14.239: Home Investment Partnerships Program**

**Pass-through Number: 03-HM-109-65**

**Federal Award Year: 2008**

**U.S. Housing and Urban Development**

**Passed through the Iowa Department of Economic Development**

III-A-10 Monitoring – The County contracts with Region XII Council of Governments to administer the HOME Investment Partnerships Program. During our review of the program, the following weaknesses were noted:

- The County does not monitor the activities of Region XII Council of Governments.
- The County does not verify transactions submitted for reimbursement by Region XII Council of Governments.

Recommendation – Procedures should be implemented to monitor Region XII Council of Governments to help ensure program compliance. As part of monitoring, the County should ensure transactions submitted for reimbursement by Region XII Council of Governments are eligible under the program.

Response and Corrective Action Planned – We agree and will meet regularly with Region XII to review transactions submitted for reimbursement and to help ensure we are complying with the program.

Conclusion – Response accepted.

Greene County

Schedule of Findings and Questioned Costs

Year ended June 30, 2010

**CFDA Number 97.036: Disaster Grants – Public Assistance  
(Presidentially Declared Disasters)**

**Pass-through Number: FEMA-1763-DR-IA**

**Federal Award Year: 2009**

**U.S. Department of Homeland Security**

**Passed through the Iowa Department of Public Defense,**

**Iowa Homeland Security and Emergency Management Division**

III-B-10 Procurement – During our review of the Disaster Grants – Public Assistance (Presidentially Declared Disasters) program, the following were noted:

- The County does not have a written procurement policy.
- OMB Circular A-133 states the County is prohibited from contracting with or making awards under covered transactions to parties who are suspended or debarred. The County has not established procedures to ensure transactions are with contractors who are not suspended or debarred.

Recommendation – The County should implement written procurement policies to ensure compliance with federal requirements. Also, the County should establish and perform procedures to ensure transactions are with contractors who are not suspended or debarred.

Response and Corrective Action Planned – We agree and will implement a procurement policy. We will also verify vendors paid with federal funds are not suspended or debarred.

Conclusion – Response accepted.

Greene County

Schedule of Findings and Questioned Costs

Year ended June 30, 2010

**Part IV: Other Findings Related to Required Statutory Reporting:**

IV-A-10 Certified Budget – Disbursements during the year ended June 30, 2010 exceeded the amount budgeted in the physical health and social services function.

Recommendation – The budget should have been amended in accordance with Chapter 331.435 of the Code of Iowa before disbursements were allowed to exceed the budget.

Response – We have an agreement with the hospital to provide these services and only recently we were informed we need to budget this information through the County. We are amending the 2011 budget to reflect these receipts and disbursements.

Conclusion – Response accepted.

IV-B-10 Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.

IV-C-10 Travel Expenses – The employee policy handbook states travel expenditures are to have prior approval of the Board of Supervisors. Certain expenditures for travel did not have prior approval of the Board of Supervisors.

Recommendation – Procedures should be implemented to ensure employee policies are followed.

Response – We agree. A form signed by the Board chair and noting overnight travel approval will be implemented.

Conclusion – Response accepted.

IV-D-10 Business Transactions – Business transactions between the County and County officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Mike Wyatt, Custodian, owner of Wyatt Water Conditioning	Supplies	\$643

In accordance with Chapter 331.342 of the Code of Iowa, the transactions with Wyatt Water Conditioning do not appear to represent a conflict of interest since total transactions were less than \$1,500 during the fiscal year.

IV-E-10 Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

IV-F-10 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

IV-G-10 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County’s investment policy were noted.



Greene County

Schedule of Findings and Questioned Costs

Year ended June 30, 2010

IV-H-10 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-I-10 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, 2010 for the County Extension Office did not exceed the amount budgeted.

IV-J-10 Deficit Fund Balance – The Special Revenue, Conservation Land Acquisition Fund had a deficit fund balance of \$11,248 at June 30, 2010.

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

Response – Cash was transferred to the fund on July 16, 2010 prior to payment of the accrued expenditure to eliminate this deficit.

Conclusion – Response accepted.

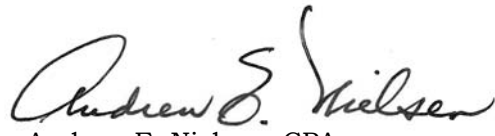
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Greene County

Staff

This audit was performed by:

Ernest H. Ruben, Jr., CPA, Manager  
Janet K. Mortvedt, CPA, Staff Auditor  
Daryl Hart, Staff Auditor  
Shawn Bowers, Auditor Intern

A handwritten signature in black ink that reads "Andrew E. Nielsen". The signature is written in a cursive style with a large initial "A" and "N".

Andrew E. Nielsen, CPA  
Deputy Auditor of State