



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

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

NEWS RELEASE

Contact: Andy Nielsen
515/281-5834

FOR RELEASE _____ February 25, 2004 _____

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

The County had local tax revenue of \$19,701,649 for the year ended June 30, 2003, which included \$1,113,657 in tax credits from the state. The County forwarded \$15,563,269 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$4,138,380 of the local tax revenue to finance County operations, a five percent increase from the prior year. Other revenues included \$3,642,551 from other governments, including indirect federal funding, and \$90,382 in interest on investments.

Expenditures for County operations totaled \$8,550,151, an eleven percent decrease from the prior year. Expenditures included \$3,053,470 for roads and transportation, \$1,469,530 for mental health and \$1,386,366 for public safety and legal services.

This report contains recommendations to the Board of Supervisors and other County Officials. For example, the County Sheriff and County Recorder should review operating procedures to obtain maximum internal control over reconciliations and mail receipts. County officials responded favorably to the recommendations.

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

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POWESHIEK COUNTY
INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION
SCHEDULE OF FINDINGS
JUNE 30, 2003

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Poweshiek County

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
(Before January 2003)		
Harold L. McNaul	Board of Supervisors	Jan 2003
Robert Sutfin	Board of Supervisors	Jan 2003
Roger Roudabush	Board of Supervisors	Jan 2005
Jo Wray	County Auditor	Jan 2005
Lana Taylor	County Treasurer	Jan 2003
Beverly Malloy	County Recorder	Jan 2003
Thomas B. Sheets	County Sheriff	Jan 2005
Michael W. Mahaffey	County Attorney	Jan 2003
Margaret Hutchinson	County Assessor	Jan 2004
(After January 2003)		
Roger Roudabush	Board of Supervisors	Jan 2005
Tom Law	Board of Supervisors	Jan 2007
Sandy Moffett	Board of Supervisors	Jan 2007
Jo Wray	County Auditor	Jan 2005
Lana Taylor	County Treasurer	Jan 2007
Beverly Malloy	County Recorder	Jan 2007
Thomas B. Sheets	County Sheriff	Jan 2005
Michael W. Mahaffey	County Attorney	Jan 2007
Margaret Hutchinson	County Assessor	Jan 2004

Poweshiek County



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Independent Auditor's Report

To the Officials of Poweshiek County:

We have audited the accompanying general purpose financial statements, listed as exhibits in the table of contents of this report, of Poweshiek County, Iowa, as of and for the year ended June 30, 2003. These general purpose financial statements are the responsibility of Poweshiek County's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

The general purpose financial statements referred to above do not include the general fixed assets account group, which should be included in order to conform with U.S. generally accepted accounting principles. The amount that should be recorded in the general fixed assets account group is not known. Also, the County has not included materials and supplies inventories, pertaining primarily to the Special Revenue Funds, although required by U.S. generally accepted accounting principles. The amounts of such inventories are not determinable.

In our opinion, except for the effects on the general purpose financial statements of the omissions described in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Poweshiek County at June 30, 2003 and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with U.S. generally accepted accounting principles. Also, the Comparison of Receipts, Disbursements and Changes in Balances - Actual to Budget (Cash Basis) presents fairly, in all material respects, the cash transactions and the legally adopted budget of the governmental fund types and expendable trust fund of Poweshiek County for the year ended June 30, 2003.

As discussed in Note 14 to the financial statements, Poweshiek County intends to implement Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments; Statement No. 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus; and Statement No. 38, Certain Financial Statement Note Disclosures, for the year ending June 30, 2004. The effects of these statements are expected to significantly impact the presentation of the County's financial statements and related notes in the year of implementation. The revised requirements include the use of the economic resources measurement focus and full accrual accounting, as well as an analytical overview of the County's financial activities in the Management's Discussion and Analysis introduction to the basic financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated December 11, 2003 on our consideration of Poweshiek County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the general purpose financial statements for the three years ended June 30, 2002 (none of which are presented herein) and expressed qualified opinions on those financial statements for the effects of the omission of the statement of general fixed assets and the omission of the materials and supplies inventories, pertaining primarily to the Special Revenue Funds. The supplemental information included in Schedules 1 through 10 is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in our audit of the aforementioned financial statements and, in our opinion, except for the effects of the omission of materials and supplies inventories, pertaining primarily to the Special Revenue Funds, as discussed in the fourth preceding paragraph, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

DAVID A. VAUDT, CPA
Auditor of State

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

December 11, 2003

Financial Statements

Poweshiek County
 Combined Balance Sheet
 All Fund Types and Account Group
 June 30, 2003

	Governmental Fund Types		
	General	Special Revenue	Debt Service
Assets and Other Debits			
Cash and pooled investments:			
County Treasurer	\$ 652,650	4,063,454	28,172
Other County officials	-	-	-
Receivables:			
Property tax:			
Delinquent	13,656	10,927	375
Succeeding year	2,541,000	1,751,000	70,000
Interest and penalty on property tax	11,191	-	-
Accounts	2,306	30,468	-
Accrued interest	15,696	215	-
Succeeding year special assessments	-	-	-
Due from other funds (note 3)	15,493	1,480	-
Due from other governments	29,540	185,298	-
Prepaid expenditures	83,454	-	-
Advance to Internal Service Fund	100,000	-	-
Amount available for payment of landfill postclosure costs	-	-	-
Amount available in Debt Service Fund	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-
Total assets and other debits	\$ 3,464,986	6,042,842	98,547

<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Account Group</u>	Total
Internal Service	Trust and Agency	General Long-Term Debt	(Memorandum Only)
145,076	1,125,521	-	6,014,873
-	31,773	-	31,773
-	57,943	-	82,901
-	14,052,000	-	18,414,000
-	-	-	11,191
-	34,875	-	67,649
-	-	-	15,911
-	26,048	-	26,048
-	99	-	17,072
-	9,463	-	224,301
-	-	-	83,454
-	-	-	100,000
-	-	375,000	375,000
-	-	28,173	28,173
-	-	277,737	277,737
<u>145,076</u>	<u>15,337,722</u>	<u>680,910</u>	<u>25,770,083</u>

Poweshiek County
 Combined Balance Sheet
 All Fund Types and Account Group
 June 30, 2003

	Governmental Fund Types		
	General	Special Revenue	Debt Service
Liabilities and Fund Equity			
Liabilities:			
Accounts payable	\$ 81,919	158,437	-
Due to other funds (note 3)	850	111	-
Due to other governments (note 4)	10,116	122,399	-
Trusts payable	-	-	-
Deferred revenue:			
Succeeding year property tax	2,541,000	1,751,000	70,000
Other	24,976	11,013	374
Installment purchase (note 5)	-	-	-
Deferred payment contract (note 5)	-	-	-
General obligation notes payable (note 5)	-	-	-
Compensated absences	25,108	24,590	-
Advance from General Fund	-	-	-
Estimated liability for landfill postclosure costs (note 9)	-	-	-
Total liabilities	2,683,969	2,067,550	70,374
Fund equity:			
Unreserved retained earnings	-	-	-
Fund balances:			
Reserved for:			
Prepaid expenditures	83,454	-	-
Debt service	-	-	28,173
Advance to Internal Service Fund	100,000	-	-
Landfill postclosure costs (note 9)	-	375,000	-
Unreserved	597,563	3,600,292	-
Total fund equity	781,017	3,975,292	28,173
Total liabilities and fund equity	\$ 3,464,986	6,042,842	98,547

See notes to financial statements.

<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Account Group</u>	Total
Internal Service	Trust and Agency	General Long-Term Debt	(Memorandum Only)
75,000	3,187	-	318,543
-	16,111	-	17,072
-	15,227,089	-	15,359,604
-	22,469	-	22,469
-	-	-	4,362,000
-	-	-	36,363
-	-	1,119	1,119
-	-	43,000	43,000
-	-	130,788	130,788
-	7,257	131,003	187,958
100,000	-	-	100,000
-	-	375,000	375,000
175,000	15,276,113	680,910	20,953,916
(29,924)	-	-	(29,924)
-	-	-	83,454
-	-	-	28,173
-	-	-	100,000
-	-	-	375,000
-	61,609	-	4,259,464
(29,924)	61,609	-	4,816,167
145,076	15,337,722	680,910	25,770,083

Poweshiek County

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

Year ended June 30, 2003

	Governmental Fund	
	General	Special Revenue
Revenues:		
Property and other County tax	\$ 2,300,317	1,522,897
Interest and penalty on property tax	44,116	-
Intergovernmental	453,181	3,407,380
Licenses and permits	16,608	31,861
Charges for service	400,334	631,509
Use of money and property	113,432	1,630
Miscellaneous	14,531	59,872
Total revenues	<u>3,342,519</u>	<u>5,655,149</u>
Expenditures:		
Operating:		
Public safety and legal services	1,334,358	52,008
Physical health and social services	316,497	-
Mental health	-	1,469,530
County environment and education	258,191	720,836
Roads and transportation	-	3,053,470
Governmental services to residents	339,791	6,069
Administration	752,288	-
Non-program	118,863	-
Debt service	-	-
Capital projects	-	6,810
Total expenditures	<u>3,119,988</u>	<u>5,308,723</u>
Excess (deficiency) of revenues over (under) expenditures	<u>222,531</u>	<u>346,426</u>

<u>Types</u>	<u>Fiduciary Fund Type</u>	<u>Total</u>
<u>Debt Service</u>	<u>Expendable Trust</u>	<u>(Memorandum Only)</u>
85,107	-	3,908,321
-	-	44,116
5,073	6,976	3,872,610
-	-	48,469
-	31,929	1,063,772
197	2,513	117,772
-	2,496	76,899
<u>90,377</u>	<u>43,914</u>	<u>9,131,959</u>
-	-	1,386,366
-	-	316,497
-	-	1,469,530
-	-	979,027
-	-	3,053,470
-	-	345,860
-	-	752,288
-	-	118,863
97,733	-	97,733
-	23,707	30,517
<u>97,733</u>	<u>23,707</u>	<u>8,550,151</u>
<u>(7,356)</u>	<u>20,207</u>	<u>581,808</u>

Poweshiek County

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

Year ended June 30, 2003

	<u>Governmental Fund</u>	
	<u>General</u>	<u>Special Revenue</u>
Other financing sources (uses):		
Sale of general fixed assets	5,660	500
Operating transfers in	16,380	1,251,153
Operating transfers out	<u>(98,147)</u>	<u>(1,169,386)</u>
Total other financing sources (uses)	<u>(76,107)</u>	<u>82,267</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	146,424	428,693
Fund balances beginning of year	624,850	3,558,599
Increase (decrease) in reserve for prepaid expenditures	<u>9,743</u>	<u>(12,000)</u>
Fund balances end of year	<u>\$ 781,017</u>	<u>3,975,292</u>

See notes to financial statements.

<u>Types</u>	<u>Fiduciary Fund Type</u>	<u>Total</u>
<u>Debt Service</u>	<u>Expendable Trust</u>	<u>(Memorandum Only)</u>
-	-	6,160
-	-	1,267,533
-	-	(1,267,533)
-	-	6,160
(7,356)	20,207	587,968
35,529	41,402	4,260,380
-	-	(2,257)
28,173	61,609	4,846,091

Exhibit C

Poweshiek County

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

Year ended June 30, 2003

	Actual	Amended Budget	Variance - Favorable (Unfavorable)	Actual as % of Amended Budget
Receipts:				
Property and other County tax	\$ 3,908,464	3,970,262	(61,798)	98%
Interest and penalty on property tax	44,613	30,000	14,613	149%
Intergovernmental	3,888,875	3,921,459	(32,584)	99%
Licenses and permits	48,199	51,113	(2,914)	94%
Charges for service	1,044,908	1,066,597	(21,689)	98%
Use of money and property	112,103	142,700	(30,597)	79%
Miscellaneous	86,961	98,751	(11,790)	88%
Total receipts	<u>9,134,123</u>	<u>9,280,882</u>	<u>(146,759)</u>	<u>98%</u>
Disbursements:				
Public safety and legal services	1,399,985	1,466,332	66,347	95%
Physical health and social services	319,711	459,680	139,969	70%
Mental health	1,437,182	1,497,240	60,058	96%
County environment and education	965,427	1,490,116	524,689	65%
Roads and transportation	3,188,915	4,087,500	898,585	78%
Governmental services to residents	349,303	486,077	136,774	72%
Administration	741,081	960,814	219,733	77%
Non-program	114,317	125,188	10,871	91%
Debt service	97,733	97,733	-	100%
Capital projects	31,173	251,000	219,827	12%
Total disbursements	<u>8,644,827</u>	<u>10,921,680</u>	<u>2,276,853</u>	<u>79%</u>
Excess (deficiency) of receipts over (under) disbursements	489,296	(1,640,798)		
Other financing sources, net	<u>6,160</u>	<u>172,366</u>		
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	495,456	(1,468,432)		
Balance beginning of year	<u>4,303,453</u>	<u>4,302,341</u>		
Balance end of year	<u>\$ 4,798,909</u>	<u>2,833,909</u>		

See notes to financial statements.

Poweshiek County

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

Proprietary Fund Type

Year ended June 30, 2003

		<u>Internal Service - Employee Group Health</u>
Operating revenues:		
Reimbursements from operating funds		\$ 502,701
Reimbursements from employees		131,950
Insurance reimbursements		342
Total operating revenues		<u>634,993</u>
Operating expenses:		
Medical claims	\$ 471,203	
Insurance premiums	94,219	
Administrative fees	28,169	
Miscellaneous	4,417	598,008
Operating income		<u>36,985</u>
Non-operating revenues:		
Interest on investments		<u>1,143</u>
Net income		38,128
Retained earnings (deficit) beginning of year		<u>(68,052)</u>
Retained earnings (deficit) end of year		<u>\$ (29,924)</u>

See notes to financial statements.

Exhibit E

Poweshiek County
Statement of Cash Flows
Proprietary Fund Type
Year ended June 30, 2003

	<u>Internal Service - Employee Group Health</u>
Cash flows from operating activities:	
Cash received from operating fund reimbursements	\$ 502,701
Cash received from employees	132,292
Cash payments to suppliers for services	<u>(613,008)</u>
Net cash provided by operating activities	21,985
Cash flows from investing activities:	
Interest on investments	<u>1,143</u>
Net increase in cash and cash equivalents	23,128
Cash and cash equivalents beginning of year	<u>121,948</u>
Cash and cash equivalents end of year	<u>\$ 145,076</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 36,985
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in accounts payable	<u>(15,000)</u>
Net cash provided by operating activities	<u>\$ 21,985</u>

See notes to financial statements.

Poweshiek County

Poweshiek County

Notes to Financial Statements

June 30, 2003

(1) Summary of Significant Accounting Policies

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

A. Reporting Entity

For financial reporting purposes, Poweshiek County has included all funds, organizations, account group, agencies, boards, commissions and authorities, except for the general fixed asset account group. 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 burden on the County. The County has no component units which meet the Governmental Accounting Standards Board Criteria.

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: Poweshiek County Assessor's Conference Board, Poweshiek County Emergency Management Services Commission and Poweshiek County Joint 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 following jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa: Drug Task Force Agreement, South Central Iowa Solid Waste Agency and Poweshiek Area Development Corporation.

B. Fund Accounting

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

Governmental Funds

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

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

Debt Service Fund – The Debt Service Fund is utilized to account for the payment of interest and principal on the County's general long-term debt.

Proprietary Fund

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

Fiduciary Funds

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

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

Account Group

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

C. Measurement Focus

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

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

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

D. Basis of Accounting

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

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

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

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

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

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

E. Assets, Liabilities and Fund Equity

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

Cash, Pooled Investments and Cash Equivalents – The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law. Investments are stated at fair value except for 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, they have a maturity date no longer than three months.

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds became 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, 2001 assessed property valuations; is for the tax accrual period July 1, 2002 through June 30, 2003 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March, 2002.

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.

Succeeding Year Special Assessments Receivable – Special assessments receivable represent amounts assessed to individuals for work done 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. Succeeding year special assessments receivable represents assessments which are payable but not yet due.

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, 2003, balances of interfund amounts receivable or payable have been recorded.

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

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and compensatory hours for subsequent use or for payment upon termination, death or retirement. For the Agency Funds, these accumulations are recorded as liabilities in the year earned. In the Governmental Funds, the cost of vacation and compensatory payments expected to be liquidated currently are recorded as liabilities of the Governmental Funds. A liability has been recorded in the General Long-Term Debt Account Group representing the County's commitment to fund non-current compensated absences. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2003.

F. Budgets and Budgetary Accounting

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except Internal Service and Agency Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon 10 major classes of expenditures known as functions, not by fund or fund type. 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, Special Revenue Funds, Debt Service Fund, Capital Projects Funds and Expendable Trust Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not at the fund or fund type level. Legal budgetary control is also based upon the appropriation to each office or department.

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

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

	Governmental Fund Types					
	General			Special Revenue		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 3,348,548	(6,029)	3,342,519	5,654,977	172	5,655,149
Expenditures	3,121,953	(1,965)	3,119,988	5,400,778	(92,055)	5,308,723
Net	226,595	(4,064)	222,531	254,199	92,227	346,426
Other financing sources (uses)	(76,107)	-	(76,107)	82,267	-	82,267
Beginning fund balances	502,162	122,688	624,850	3,726,988	(168,389)	3,558,599
Increase (decrease) in reserve for prepaid expenditures	-	9,743	9,743	-	(12,000)	(12,000)
Ending fund balances	\$ 652,650	128,367	781,017	4,063,454	(88,162)	3,975,292

	Governmental Fund Types		
	Debt Service		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 90,381	(4)	90,377
Expenditures	97,733	-	97,733
Net	(7,352)	(4)	(7,356)
Other financing sources (uses)	-	-	-
Beginning fund balances	35,524	5	35,529
Increase (decrease) in reserve for prepaid expenditures	-	-	-
Ending fund balances	\$ 28,172	1	28,173

	Fiduciary Fund Type					
	Expendable Trust			Total		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 40,217	3,697	43,914	9,134,123	(2,164)	9,131,959
Expenditures	24,363	(656)	23,707	8,644,827	(94,676)	8,550,151
Net	15,854	4,353	20,207	489,296	92,512	581,808
Other financing sources (uses)	-	-	-	6,160	-	6,160
Beginning fund balances	38,779	2,623	41,402	4,303,453	(43,073)	4,260,380
Increase (decrease) in reserve for prepaid expenditures	-	-	-	-	-	(2,257)
Ending fund balances	\$ 54,633	6,976	61,609	4,798,909	49,439	4,846,091

G. Total (Memorandum Only)

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

(2) Cash and Pooled Investments

The County's deposits at June 30, 2003 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The County is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

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

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.

The County's investments at June 30, 2003 are as follows:

Type	Fair Value
U.S. Government securities	<u>\$ 7,900</u>

In addition, the County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$69,910 pursuant to Rule 2a-7 under the Investment Company Act of 1940 and are not subject to risk categorization.

(3) Due From and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2003 is as follows:

Receivable Fund	Payable Fund	Amount
General	Trust and Agency: County Recorder County Sheriff	\$ 15,394 99
Special Revenue: Sanitary Disposal	Trust and Agency: Sanitary Disposal	100
Secondary Roads	General Special Revenue: Contract Law Enforcement	850 12
County Recorder's Record Management	Trust and Agency: County Recorder	518
Trust and Agency: County Sheriff	Special Revenue: Mental Health	99
Total		<u>\$ 17,072</u>

(4) Due to Other Governments

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

Fund	Description	Amount
General	Services	\$ 10,116
Special Revenue:		
Mental Health	Services	118,436
Secondary Roads		2,143
Sanitary Disposal		1,820
		<u>122,399</u>
Trust and Agency:		
County Assessor	Collections	533,479
Schools		9,220,053
Community Colleges		673,476
Corporations		3,931,131
Auto License and Use Tax		339,257
Fire Districts		116,869
E911 Surcharge		234,975
All other		177,849
		<u>15,227,089</u>
Total		<u>\$ 15,359,604</u>

(5) Changes in Long-Term Debt

A summary of changes in long-term debt for the year ended June 30, 2003 is as follows:

	Capital Lease Purchase Agreement	Installment Purchase	Deferred Payment Contract	General Obligation Notes	Compensated Absences	Estimated Liability for Landfill Postclosure Costs	Total
Balance beginning of year	\$ 13,802	10,800	64,500	218,510	110,429	375,000	793,041
Additions	-	-	-	-	20,574	-	20,574
Deletions	13,802	9,681	21,500	87,722	-	-	132,705
Balance end of year	\$ -	1,119	43,000	130,788	131,003	375,000	680,910

Capital Lease Purchase Agreement

The capital lease purchase agreement for a tractor was paid in full during the year ended June 30, 2003.

Installment Purchase Agreement

On August 24, 2000, the County entered into an installment purchase agreement to purchase a truck. The total cost was \$13,995, plus 9.00% per annum interest, to be financed over a four-year period. During the year ended June 30, 2003, principal of \$9,681 and interest of \$1,583 was paid under this agreement. The principal balance at June 30, 2003 was \$1,119.

Deferred Payment Contract

On November 30, 2001, the County entered into a deferred payment contract to purchase land and a building. The total cost was \$86,000, with no interest, to be financed over a four-year period. During the year ended June 30, 2003, \$21,500 was paid under this agreement. The principal balance at June 30, 2003 was \$43,000.

General Obligation Notes Payable

A summary of the County's June 30, 2003 general obligation notes payable is as follows:

Year Ending June 30,	Issued November, 1999			Issued February, 2001			Total	
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest	Principal	Interest
2004	4.65%	\$ 39,476	3,757	4.50%	\$ 50,000	2,250	\$ 89,476	6,007
2005	4.65	41,312	1,921		-	-	41,312	1,921
		<u>\$ 80,788</u>	<u>5,678</u>		<u>\$ 50,000</u>	<u>2,250</u>	<u>\$ 130,788</u>	<u>7,928</u>

During the year ended June 30, 2003, the County retired notes of \$87,722.

(6) Pension and Retirement Benefits

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

Plan members are required to contribute 3.70% of their annual covered salary and the County is required to contribute 5.75% of annual covered payroll except for law enforcement employees, in which case the percentages are 5.37% and 8.05%, respectively. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2003, 2002 and 2001 were \$175,964, \$179,122, and \$158,367, respectively, equal to the required contributions for each year.

(7) Risk Management

Poweshiek County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool with over 400 members from various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, 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 300 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

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

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's annual contributions to the Pool for the year ended June 30, 2003 were \$166,908.

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

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2003, no liability has been recorded in the County's financial statements. As of June 30, 2003, 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 claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its capital contribution. 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, boiler and machinery and employee blanket bond in the amount of \$1,000,000, \$1,000,000, and \$80,000, 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.

(8) Employee Group Health Insurance Plan

The Poweshiek County Employee Group Health Fund was established to account for the partial self funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Employee Group Services, Ltd., (EGS). The agreement was effective July 1, 1991 and 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 Poweshiek County 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 EGS from the Poweshiek County Employee Group Health Fund. The County records the plan assets and related liabilities of the Poweshiek County Employee Group Health Fund as an Internal Service Fund. The County's contribution to the fund for the year ended June 30, 2003 was \$502,701.

Amounts payable from the Employee Group Health Fund at June 30, 2003 total \$75,000, 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. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has 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 liabilities for claims for the current year is as follows:

Unpaid claims at July 1, 2002	\$ 90,000
Incurred claims (including claims incurred but not reported at June 30, 2003)	456,203
Payments on claims during the fiscal year	<u>(471,203)</u>
Unpaid claims at June 30, 2003	<u>\$ 75,000</u>

(9) Postclosure Costs

To comply with federal and state regulations, the County is required to complete a monitoring system plan and a closure/postclosure plan and to provide funding necessary to effect closure and postclosure, including the proper monitoring and care of the landfill after closure. Environmental Protection Agency (EPA) requirements have established closure and thirty-year postclosure care requirements for all municipal solid waste landfills that receive waste after October 9, 1993. State governments are primarily responsible for implementation and enforcement of those requirements and have been given flexibility to tailor requirements to accommodate local conditions that exist. The effect of the EPA requirement is to commit landfill owners to perform certain closing functions and postclosure monitoring functions as a condition for the right to operate the landfill in the current period. The EPA requirements provide that when a landfill stops accepting waste, it must be covered with a minimum of twenty-four inches of earth to keep liquid away from the buried waste. Once the landfill is closed, the owner is responsible for maintaining the final cover, monitoring ground water and methane gas, and collecting and treating leachate (the liquid that drains out of waste) for thirty years.

Governmental Accounting Standards Board Statement No. 18 requires landfill owners to estimate total landfill closure and postclosure care costs and recognize a portion of these costs each year based on the percentage of estimated total landfill capacity used that period. Estimated total costs consist of four components: (1) the cost of equipment and facilities used in postclosure monitoring and care, (2) the cost of final cover (material and labor), (3) the cost of monitoring the landfill during the postclosure period and (4) the cost of any environmental cleanup required after closure. Estimated total cost would be based on the cost to purchase those services and equipment currently and would be required to be updated annually. These costs for the Poweshiek County Sanitary Landfill have been estimated at \$375,000 and a provision for this liability has been made on the County's balance sheet at June 30, 2003.

Chapter 111 of the Iowa Administrative Code has been promulgated to implement financial assurance rules. Since the Poweshiek County Sanitary Landfill stopped waste disposal prior to the Chapter 111 effective date of August 24, 1994, financial assurance is not required for the Landfill. However, the County has accumulated resources to fund postclosure costs and, at June 30, 2003, deposits of \$375,000 held for these purposes are reported in the Special Revenue, Sanitary Disposal Fund.

(10) Contingent Liability for Closure and Postclosure Costs

Poweshiek County participates in an agreement with the South Central Iowa Solid Waste Agency, a political subdivision created under Chapter 28E of the Code of Iowa. The purpose of the Agency includes providing economic disposal of solid waste produced or generated within the member counties and municipalities.

The County has provided a local government guarantee for a portion of the closure and postclosure costs of the landfill as per Chapter 111.6(8) of the Iowa Administrative Code. The County's financial assurance obligation totals \$226,419.

In the event the South Central Iowa Solid Waste Agency fails to perform closure or postclosure care in accordance with the appropriate plan or permit whenever required to do so or fails to obtain alternate financial assurance within 90 days of intent to cancel, Poweshiek County will perform or pay a third party to perform closure and/or postclosure care or establish a standby trust fund in the name of the South Central Iowa Solid Waste Agency or obtain alternate financial assurance in the amount of \$226,419.

(11) Development Agreement

The County entered into a development agreement to assist in an urban renewal project. The County agreed to rebate 100% of the incremental tax paid by the developer in exchange for the construction of a corn processing facility. The incremental taxes to be received by the County under Chapter 403.19 of the Code of Iowa from the developer will be rebated in twenty semi-annual payments beginning on December 1, 2003. The total to be paid by the County under this agreement is not to exceed \$2,509,260.

(12) Deficit Balance

The Internal Service Fund had a deficit balance of \$29,924 at June 30, 2003. The County is investigating options for eliminating the deficit.

(13) Construction Commitments and Subsequent Events

The County has entered into contracts after June 30, 2003 totaling \$827,783 for bridge construction and recreation trail development.

(14) Prospective Accounting Change

The Governmental Accounting Standards Board issued Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments; Statement No. 37, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus; and Statement No. 38, Certain Financial Statement Note Disclosures. These statements will be implemented for the year ending June 30, 2004. The effects are expected to significantly impact the presentation of the County’s financial statements in the year of implementation. The revised requirements include using the economic resources measurement focus and full accrual accounting. Also, the revised minimum reporting requirements include Management’s Discussion and Analysis to introduce the financial statements and to provide an analytical overview of the County’s financial activities.

Supplemental Information

Poweshiek County

Poweshiek County

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended June 30, 2003

Revenues:

Property and other County tax:

Property tax	\$ 2,187,597	
Utility tax replacement excise tax	109,637	
Other	<u>3,083</u>	\$ 2,300,317

Interest and penalty on property tax		44,116
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Intergovernmental:

State shared revenues:

Franchise tax	28,065	
Other	<u>855</u>	
	<u>28,920</u>	

State tax replacements:

State tax credits	139,459	
State allocation	<u>83,503</u>	
	<u>222,962</u>	

State and federal pass-thru revenues:

Human services administrative reimbursement	49,196	
Other	<u>16,882</u>	
	<u>66,078</u>	

Contributions and reimbursements from
other governmental units

	<u>33,474</u>	
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State grants and entitlements:

Home care aide grant	50,441	
Other	<u>51,306</u>	
	<u>101,747</u>	453,181

Licenses and permits		16,608
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Charges for service:

Office fees and collections	235,154	
Auto registration, use tax, drivers license and mailing	153,378	
Other	<u>11,802</u>	400,334

Schedule 1

Poweshiek County

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended June 30, 2003

Revenues (continued):		
Use of money and property:		
Interest on investments	89,529	
Other	<u>23,903</u>	113,432
Miscellaneous		<u>14,531</u>
Total revenues		<u>3,342,519</u>
Expenditures:		
Operating:		
Public safety and legal services		1,334,358
Physical health and social services		316,497
County environment and education		258,191
Governmental services to residents		339,791
Administration		752,288
Non-program		<u>118,863</u>
Total expenditures		<u>3,119,988</u>
Excess of revenues over expenditures		<u>222,531</u>
Other financing sources (uses):		
Sale of general fixed assets		5,660
Operating transfers out:		
Special Revenue:		
Secondary Roads	(98,147)	
Contract Law Enforcement	<u>16,380</u>	<u>(81,767)</u>
Total other financing sources (uses)		<u>(76,107)</u>
Excess of revenues and other financing sources over expenditures and other financing uses		146,424
Fund balance beginning of year		624,850
Increase in reserve for prepaid expenditures		<u>9,743</u>
Fund balance end of year		<u>\$ 781,017</u>

See accompanying independent auditor's report.

Poweshiek County

General Fund

Statement of Expenditures

Year ended June 30, 2003

Public safety and legal services:			
Law enforcement:			
Uniformed patrol services	\$	495,521	
Investigations		1,057	
Unified law enforcement		53,026	
Law enforcement communication		12,669	
Adult correctional services		276,667	
Administration		<u>173,525</u>	
		<u>1,012,465</u>	
Legal services:			
Criminal prosecution		147,257	
Medical examinations		<u>36,925</u>	
		<u>184,182</u>	
Emergency services:			
Ambulance services		61,625	
Emergency management services		<u>45,279</u>	
		<u>106,904</u>	
Assistance to district court system:			
Physical operations		2,246	
Research and other assistance		<u>9,593</u>	
		<u>11,839</u>	
Court proceedings:			
Juries and witnesses		4,166	
Court costs		43	
Service of civil papers		<u>3,417</u>	
		<u>7,626</u>	
Juvenile justice administration:			
Juvenile victim restitution		2,100	
Juvenile representation services		496	
Court-appointed attorneys and court costs for juveniles		<u>8,746</u>	
		<u>11,342</u>	
			\$ 1,334,358

Schedule 2

Poweshiek County

General Fund

Statement of Expenditures

Year ended June 30, 2003

Physical health and social services:		
Physical health services:		
Sanitation	37,143	
Health administration	104,381	
	<u>141,524</u>	
Services to the poor:		
Administration	57,910	
General welfare services	32,384	
	<u>90,294</u>	
Services to military veterans:		
Administration	11,847	
General services to veterans	10,142	
	<u>21,989</u>	
Children and family services:		
Youth guidance	47,877	
Family protection services	485	
	<u>48,362</u>	
Services to other adults:		
Services to the elderly	1,940	
Other social services	2,000	
	<u>3,940</u>	
Chemical dependency:		
Treatment services	10,388	316,497
County environment and education:		
Conservation and recreation services:		
Administration	132,162	
Maintenance and operations	49,273	
	<u>181,435</u>	
County development:		
Economic development	47,816	
Educational services:		
Historic preservation	1,940	
Fair and 4-H clubs	27,000	
	<u>28,940</u>	258,191

Poweshiek County

General Fund

Statement of Expenditures

Year ended June 30, 2003

Governmental services to residents:			
Representation services:			
Elections administration	66,932		
Local elections	8,841		
	<u>75,773</u>		
State administrative services:			
Motor vehicle registrations and licensing	170,494		
Recording of public documents	93,524		
	<u>264,018</u>	339,791	
Administration:			
Policy and administration:			
General county management	147,500		
Administrative management services	136,910		
Treasury management services	151,678		
Other policy and administration	77,631		
	<u>513,719</u>		
Central services:			
General services	71,658		
Data processing services	44,916		
	<u>116,574</u>		
Risk management services:			
Tort liability	42,205		
Safety of the workplace	67,318		
Fidelity of public officials	1,675		
Unemployment compensation	10,797		
	<u>121,995</u>	752,288	
Non-program:			
County farm operations	20,344		
Public health nurse grants passed through to Grinnell Regional Medical Center	98,168		
Other county enterprises	351		
	<u>351</u>	<u>118,863</u>	
Total		<u>\$ 3,119,988</u>	

See accompanying independent auditor's report.

Poweshiek County
Special Revenue Funds
Combining Balance Sheet
June 30, 2003

	Mental Health	Rural Services	Poweshiek County Urban Renewal	Poweshiek County Urban Renewal #2	Secondary Roads
Assets					
Cash and pooled investments	\$ 699,774	409,781	4,735	7,561	1,925,178
Receivables:					
Property tax:					
Delinquent	2,162	8,765	-	-	-
Succeeding year	402,000	1,072,000	91,410	185,590	-
Accounts	9,975	-	-	-	-
Accrued interest	-	-	-	-	-
Due from other funds	-	-	-	-	862
Due from other governments	2,325	-	-	-	182,387
Total assets	\$ 1,116,236	1,490,546	96,145	193,151	2,108,427
Liabilities and Fund Equity					
Liabilities:					
Accounts payable	\$ 47,197	18	-	-	67,667
Due to other funds	99	-	-	-	-
Due to other governments	118,436	-	-	-	2,143
Deferred revenue:					
Succeeding year property tax	402,000	1,072,000	91,410	185,590	-
Other	2,157	8,756	-	-	-
Compensated absences	2,465	-	-	-	15,640
Total liabilities	572,354	1,080,774	91,410	185,590	85,450
Fund equity:					
Fund balance:					
Reserved for landfill postclosure costs	-	-	-	-	-
Unreserved	543,882	409,772	4,735	7,561	2,022,977
Total fund equity	543,882	409,772	4,735	7,561	2,022,977
Total liabilities and fund equity	\$ 1,116,236	1,490,546	96,145	193,151	2,108,427

See accompanying independent auditor's report.

Resource Enhancement and Protection	County Recorder's Records Management	Sheriff/Jail	Special Law Enforcement	Contract Law Enforcement	County Attorney Forfeiture	Sanitary Disposal	Total
43,346	32,179	1,310	4,344	47,173	634	887,439	4,063,454
-	-	-	-	-	-	-	10,927
-	-	-	-	-	-	-	1,751,000
-	-	-	-	-	-	20,493	30,468
-	215	-	-	-	-	-	215
-	518	-	-	-	-	100	1,480
302	-	-	-	-	284	-	185,298
43,648	32,912	1,310	4,344	47,173	918	908,032	6,042,842
-	-	-	-	168	-	43,387	158,437
-	-	-	-	12	-	-	111
-	-	-	-	-	-	1,820	122,399
-	-	-	-	-	-	-	1,751,000
-	-	-	-	-	-	100	11,013
-	-	-	-	-	-	6,485	24,590
-	-	-	-	180	-	51,792	2,067,550
-	-	-	-	-	-	375,000	375,000
43,648	32,912	1,310	4,344	46,993	918	481,240	3,600,292
43,648	32,912	1,310	4,344	46,993	918	856,240	3,975,292
43,648	32,912	1,310	4,344	47,173	918	908,032	6,042,842

Poweshiek County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2003

	Mental Health	Rural Services	Poweshiek County Urban Renewal	Poweshiek County Urban Renewal #2	Secondary Roads
Revenues:					
Property and other County tax:					
Property tax	\$ 399,162	971,123	61,888	7,447	-
Utility tax replacement excise tax	20,005	62,710	-	-	-
Other	562	-	-	-	-
	<u>419,729</u>	<u>1,033,833</u>	<u>61,888</u>	<u>7,447</u>	<u>-</u>
Intergovernmental:					
State shared revenues:					
Road use tax	-	-	-	-	2,276,449
State and federal pass-thru revenues:					
Social services block grant	79,094	-	-	-	-
Other	9,524	-	-	-	21,280
	<u>88,618</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,280</u>
State tax replacements:					
State tax credits	25,447	58,316	1,650	114	-
State allocation	-	35,848	-	-	-
Mental health property tax relief	548,128	-	-	-	-
	<u>573,575</u>	<u>94,164</u>	<u>1,650</u>	<u>114</u>	<u>-</u>
Contributions and reimbursements from other governmental units	129,076	-	-	-	65,625
	<u>791,269</u>	<u>94,164</u>	<u>1,650</u>	<u>114</u>	<u>2,363,354</u>
Licenses and permits	-	7,134	-	-	24,727
Charges for service	-	1,210	-	-	-
Use of money and property:					
Interest on investments	-	-	-	-	-
Other	-	-	-	-	311
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>311</u>

Resource Enhancement and Protection	County Recorder's Records Management	Sheriff/Jail	Special Law Enforcement	Contract Law Enforcement	County Attorney Forfeiture	Sanitary Disposal	Total
-	-	-	-	-	-	-	1,439,620
-	-	-	-	-	-	-	82,715
-	-	-	-	-	-	-	562
-	-	-	-	-	-	-	1,522,897
-	-	-	-	-	-	-	2,276,449
-	-	-	-	-	-	-	79,094
302	-	-	-	-	-	7,400	38,506
302	-	-	-	-	-	7,400	117,600
-	-	-	-	-	-	-	85,527
-	-	-	-	-	-	-	35,848
-	-	-	-	-	-	-	548,128
-	-	-	-	-	-	-	669,503
-	-	-	-	107,245	-	41,882	343,828
302	-	-	-	107,245	-	49,282	3,407,380
-	-	-	-	-	-	-	31,861
-	6,257	-	-	-	-	624,042	631,509
141	557	3	11	-	2	-	714
-	-	605	-	-	-	-	916
141	557	608	11	-	2	-	1,630

Poweshiek County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2003

	Mental Health	Rural Services	Poweshiek County Urban Renewal	Poweshiek County Urban Renewal	Secondary Roads
Revenues (continued):					
Miscellaneous:					
Sale of material	-	-	-	-	31,847
Insurance reimbursements	-	-	-	-	9,942
Other	7,840	-	-	-	7,660
	<u>7,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,449</u>
Total revenues	<u>1,218,838</u>	<u>1,136,341</u>	<u>63,538</u>	<u>7,561</u>	<u>2,437,841</u>
Expenditures:					
Operating:					
Public safety and legal services:					
Law enforcement:					
Uniformed patrol services	-	-	-	-	-
Contract law enforcement	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Mental health:					
Persons with mental health problems - mental illness:					
Information and education services	9,690	-	-	-	-
General administration	33,981	-	-	-	-
Treatment services	64,605	-	-	-	-
Institutional, hospital, and commitment services	66,799	-	-	-	-
	<u>175,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Mental health:					
Persons with chronic mental illness:					
Coordination services	680	-	-	-	-
Personal and environmental support	9,190	-	-	-	-
Treatment services	21,255	-	-	-	-
Vocational and day services	1,517	-	-	-	-
Licensed or certified living arrangements	188,395	-	-	-	-
Institutional, hospital, and commitment services	95,552	-	-	-	-
	<u>316,589</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Resource Enhancement and Protection	County Recorder's Records Management	Sheriff/Jail	Special Law Enforcement	Contract Law Enforcement	County Attorney Forfeiture	Sanitary Disposal	Total
-	-	-	-	-	-	-	31,847
-	-	-	-	-	-	-	9,942
-	-	-	1,580	-	448	555	18,083
-	-	-	1,580	-	448	555	59,872
443	6,814	608	1,591	107,245	450	673,879	5,655,149
-	-	-	307	-	-	-	307
-	-	-	-	51,701	-	-	51,701
-	-	-	307	51,701	-	-	52,008
-	-	-	-	-	-	-	9,690
-	-	-	-	-	-	-	33,981
-	-	-	-	-	-	-	64,605
-	-	-	-	-	-	-	66,799
-	-	-	-	-	-	-	175,075
-	-	-	-	-	-	-	680
-	-	-	-	-	-	-	9,190
-	-	-	-	-	-	-	21,255
-	-	-	-	-	-	-	1,517
-	-	-	-	-	-	-	188,395
-	-	-	-	-	-	-	95,552
-	-	-	-	-	-	-	316,589

Poweshiek County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2003

	Mental Health	Rural Services	Poweshiek County Urban Renewal	Poweshiek County Urban Renewal	Secondary Roads
Expenditures (continued):					
Operating:					
Mental health:					
Persons with mental retardation:					
Coordination services	141,219	-	-	-	-
Personal and environmental support	43,660	-	-	-	-
Vocational and day services	205,027	-	-	-	-
Licensed or certified living arrangements	493,283	-	-	-	-
Institutional, hospital, and commitment services	79,714	-	-	-	-
	<u>962,903</u>	-	-	-	-
Persons with other developmental disabilities:					
Coordination services	763	-	-	-	-
Personal and environmental support	47	-	-	-	-
Vocational and day services	3,792	-	-	-	-
Licensed or certified living arrangements	10,361	-	-	-	-
	<u>14,963</u>	-	-	-	-
	<u>1,469,530</u>	-	-	-	-
County environment and education:					
Environmental quality:					
Solid waste disposal	-	-	-	-	-
Environmental restoration	-	-	-	-	-
	<u>-</u>	-	-	-	-
Conservation and recreation services:					
Recreation and environmental education services	-	-	-	-	-
County development:					
Land use and building controls	-	6,602	-	-	-
Economic development	-	12,500	-	-	-
	<u>-</u>	<u>19,102</u>	-	-	-
Educational services:					
Libraries	-	33,000	-	-	-
	<u>-</u>	<u>52,102</u>	-	-	-

Resource Enhancement and Protection	County Recorder's Records Management	Sheriff/ Jail	Special Law Enforcement	Contract Law Enforcement	County Attorney Forfeiture	Sanitary Disposal	Total
-	-	-	-	-	-	-	141,219
-	-	-	-	-	-	-	43,660
-	-	-	-	-	-	-	205,027
-	-	-	-	-	-	-	493,283
-	-	-	-	-	-	-	79,714
-	-	-	-	-	-	-	962,903
-	-	-	-	-	-	-	763
-	-	-	-	-	-	-	47
-	-	-	-	-	-	-	3,792
-	-	-	-	-	-	-	10,361
-	-	-	-	-	-	-	14,963
-	-	-	-	-	-	-	1,469,530
-	-	-	-	-	-	660,458	660,458
-	-	-	-	-	-	4,241	4,241
-	-	-	-	-	-	664,699	664,699
4,035	-	-	-	-	-	-	4,035
-	-	-	-	-	-	-	6,602
-	-	-	-	-	-	-	12,500
-	-	-	-	-	-	-	19,102
-	-	-	-	-	-	-	33,000
4,035	-	-	-	-	-	664,699	720,836

Poweshiek County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2003

	Mental Health	Rural Services	Poweshiek County Urban Renewal	Poweshiek County Urban Renewal	Secondary Roads
Expenditures (continued):					
Operating:					
Roads and transportation:					
Secondary roads administration and engineering:					
Administration	-	-	-	-	315,315
Engineering	-	-	-	-	200,604
	-	-	-	-	515,919
Roadway maintenance:					
Bridges and culverts	-	-	-	-	117,498
Roads	-	-	-	-	1,383,736
Snow and ice control	-	-	-	-	93,315
Traffic controls	-	-	-	-	39,433
Road clearing	-	-	-	-	98,554
	-	-	-	-	1,732,536
General roadway:					
Equipment	-	-	-	-	19,993
Equipment operations	-	-	-	-	607,035
Tools, materials, and supplies	-	-	-	-	114,647
Real estate and buildings	-	-	-	-	63,340
	-	-	-	-	805,015
	-	-	-	-	3,053,470
Governmental services to residents:					
Representation services:					
Township officials	-	3,870	-	-	-
State administrative services:					
Recording of public documents	-	-	-	-	-
	-	3,870	-	-	-
Capital projects:					
Roadway construction	-	-	-	-	6,810
Total expenditures	1,469,530	55,972	-	-	3,060,280
Excess (deficiency) of revenues over (under) expenditures	(250,692)	1,080,369	63,538	7,561	(622,439)

Resource Enhancement and Protection	County Recorder's Records Management	Sheriff/Jail	Special Law Enforcement	Contract Law Enforcement	County Attorney Forfeiture	Sanitary Disposal	Total
-	-	-	-	-	-	-	315,315
-	-	-	-	-	-	-	200,604
-	-	-	-	-	-	-	515,919
-	-	-	-	-	-	-	117,498
-	-	-	-	-	-	-	1,383,736
-	-	-	-	-	-	-	93,315
-	-	-	-	-	-	-	39,433
-	-	-	-	-	-	-	98,554
-	-	-	-	-	-	-	1,732,536
-	-	-	-	-	-	-	19,993
-	-	-	-	-	-	-	607,035
-	-	-	-	-	-	-	114,647
-	-	-	-	-	-	-	63,340
-	-	-	-	-	-	-	805,015
-	-	-	-	-	-	-	3,053,470
-	-	-	-	-	-	-	3,870
-	2,199	-	-	-	-	-	2,199
-	2,199	-	-	-	-	-	6,069
-	-	-	-	-	-	-	6,810
4,035	2,199	-	307	51,701	-	664,699	5,308,723
(3,592)	4,615	608	1,284	55,544	450	9,180	346,426

Poweshiek County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2003

	Mental Health	Rural Services	Poweshiek County Urban Renewal	Poweshiek County Urban Renewal	Secondary Roads
Other financing sources (uses):					
Sale of general fixed assets	-	-	-	-	500
Operating transfers in (out):					
General	-	-	-	-	98,147
Special Revenue:					
Rural Services	-	-	-	-	1,075,625
Secondary Roads	-	(1,075,625)	(62,000)	-	-
Sanitary Disposal	-	(31,761)	-	-	-
Poweshiek County Urban Renewal	-	-	-	-	62,000
Total other financing sources (uses)	-	(1,107,386)	(62,000)	-	1,236,272
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(250,692)	(27,017)	1,538	7,561	613,833
Fund balances beginning of year	794,574	436,789	3,197	-	1,421,144
Decrease in reserve for prepaid expenditures	-	-	-	-	(12,000)
Fund balances end of year	\$ 543,882	409,772	4,735	7,561	2,022,977

See accompanying independent auditor's report.

Resource Enhancement and Protection	County Recorder's Records Management	Sheriff/Jail	Special Law Enforcement	Contract Law Enforcement	County Attorney Forfeiture	Sanitary Disposal	Total
-	-	-	-	-	-	-	500
-	-	-	-	(16,380)	-	-	81,767
-	-	-	-	-	-	31,761	1,107,386
-	-	-	-	-	-	-	(1,137,625)
-	-	-	-	-	-	-	(31,761)
-	-	-	-	-	-	-	62,000
-	-	-	-	(16,380)	-	31,761	82,267
(3,592)	4,615	608	1,284	39,164	450	40,941	428,693
47,240	28,297	702	3,060	7,829	468	815,299	3,558,599
-	-	-	-	-	-	-	(12,000)
43,648	32,912	1,310	4,344	46,993	918	856,240	3,975,292

Poweshiek County

Poweshiek County

Debt Service Fund

Statement of Revenues, Expenditures and
Changes in Fund Balance

Year ended June 30, 2003

Revenues:

Property and other County tax:

Property tax	\$	81,061	
Utility tax replacement excise tax		3,935	
Other		111	\$ 85,107
			<u> </u>

Intergovernmental:

State tax replacements:

State tax credits			5,073
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Use of money and property:

Interest on investments			<u>197</u>
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Total revenues			<u><u>90,377</u></u>
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Expenditures:

Debt service:

Note principal			87,722
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Interest			<u>10,011</u>
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Total expenditures			<u><u>97,733</u></u>
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Deficiency of revenues under expenditures			(7,356)
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Fund balance beginning of year			<u>35,529</u>
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Fund balance end of year			<u><u>\$ 28,173</u></u>
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See accompanying independent auditor's report.

Schedule 6

Poweshiek County
Trust and Agency Funds
Combining Balance Sheet
June 30, 2003

	<u>Expendable</u>		
	Trust -		
	Conservation		
	Land Acquisition		
	Trust	Agency	Total
Assets			
Cash and pooled investments:			
County Treasurer	\$ 54,633	1,070,888	1,125,521
Other County officials	-	31,773	31,773
Receivables:			
Property tax:			
Delinquent	-	57,943	57,943
Succeeding year	-	14,052,000	14,052,000
Accounts	-	34,875	34,875
Special assessments	-	26,048	26,048
Due from other funds	-	99	99
Due from other governments	6,976	2,487	9,463
Total assets	\$ 61,609	15,276,113	15,337,722
Liabilities and Fund Equity			
Liabilities:			
Accounts payable	\$ -	3,187	3,187
Due to other funds	-	16,111	16,111
Due to other governments	-	15,227,089	15,227,089
Trusts payable	-	22,469	22,469
Compensated absences	-	7,257	7,257
Total liabilities	-	15,276,113	15,276,113
Fund equity:			
Unreserved fund balance	61,609	-	61,609
Total liabilities and fund equity	\$ 61,609	15,276,113	15,337,722

See accompanying independent auditor's report.

Poweshiek County
Expendable Trust Fund
Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended June 30, 2003

	Conservation Land Acquisition Trust
Revenues:	
Intergovernmental:	
State and federal pass-thru revenues:	
Highway planning and construction grant	\$ 6,976
Charges for service	31,929
Use of money and property:	
Land rent	2,513
Miscellaneous:	
Donations	1,877
Miscellaneous	619
Total revenues	43,914
Expenditures:	
Capital projects:	
Diamond Lake expansion	10,395
Truck and tractor	13,312
Total expenditures	23,707
Excess of revenues over expenditures	20,207
Fund balance beginning of year	41,402
Fund balance end of year	\$ 61,609

See accompanying independent auditor's report.

Poweshiek County
 Agency Funds
 Combining Balance Sheet
 June 30, 2003

	County Offices		
	Sanitary Disposal	County Recorder	County Sheriff
Assets			
Cash and pooled investments:			
County Treasurer	\$ -	-	-
Other County officials	100	23,752	7,921
Receivables:			
Property tax:			
Delinquent	-	-	-
Succeeding year	-	-	-
Accounts	-	22	-
Succeeding year special assessments	-	-	-
Due from other funds	-	-	99
Due from other governments	-	-	-
Total assets	\$ 100	23,774	8,020
Liabilities			
Accounts payable	\$ -	-	-
Due to other funds	100	15,912	99
Due to other governments	-	7,862	-
Trusts payable	-	-	7,921
Compensated absences	-	-	-
Total liabilities	\$ 100	23,774	8,020

Agricultural Extension Education	County Assessor	Schools	Community Colleges	Corporations	Townships
1,098	279,534	146,375	9,072	51,456	800
-	-	-	-	-	-
366	1,399	48,678	3,404	2,675	372
68,000	260,000	9,025,000	661,000	3,877,000	44,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
69,464	540,933	9,220,053	673,476	3,931,131	45,172
-	197	-	-	-	-
-	-	-	-	-	-
69,464	533,479	9,220,053	673,476	3,931,131	45,172
-	-	-	-	-	-
-	7,257	-	-	-	-
69,464	540,933	9,220,053	673,476	3,931,131	45,172

Poweshiek County
 Agency Funds
 Combining Balance Sheet
 June 30, 2003

	Auto License and Use Tax	Brucellosis and Tuberculosis Eradication	Fire Districts
Assets			
Cash and pooled investments:			
County Treasurer	339,257	44	1,835
Other County officials	-	-	-
Receivables:			
Property tax:			
Delinquent	-	15	1,034
Succeeding year	-	3,000	114,000
Accounts	-	-	-
Succeeding year special assessments	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Total assets	339,257	3,059	116,869
Liabilities			
Accounts payable	-	-	-
Due to other funds	-	-	-
Due to other governments	339,257	3,059	116,869
Trusts payable	-	-	-
Compensated absences	-	-	-
Total liabilities	339,257	3,059	116,869

See accompanying independent auditor's report.

Emergency Management Services	Special Assessments	Tax Sale Redemption	E911	Anatomical Gift Donations	Advance Tax	Total
22,007	1,754	12,165	203,067	41	2,383	1,070,888
-	-	-	-	-	-	31,773
-	-	-	-	-	-	57,943
-	-	-	-	-	-	14,052,000
-	-	-	34,853	-	-	34,875
-	26,048	-	-	-	-	26,048
-	-	-	-	-	-	99
2,487	-	-	-	-	-	2,487
24,494	27,802	12,165	237,920	41	2,383	15,276,113
45	-	-	2,945	-	-	3,187
-	-	-	-	-	-	16,111
24,449	27,802	-	234,975	41	-	15,227,089
-	-	12,165	-	-	2,383	22,469
-	-	-	-	-	-	7,257
24,494	27,802	12,165	237,920	41	2,383	15,276,113

Poweshiek County

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 2003

	County Offices		
	Sanitary Disposal	County Recorder	County Sheriff
Assets and Liabilities			
Balance beginning of year	\$ 100	19,695	6,389
Additions:			
Property and other County tax	-	-	-
E911 surcharge	-	-	-
State tax credits	-	-	-
State allocation	-	-	-
Driver license fees	-	-	-
Office fees and collections	-	299,789	65,417
Auto licenses, use tax and postage	-	-	-
Assessments	-	-	-
Trusts	-	-	130,787
Miscellaneous	-	-	-
Total additions	-	299,789	196,204
Deductions:			
Agency remittances:			
To other funds	-	192,914	63,092
To other governments	-	102,796	2,410
Trusts paid out	-	-	129,071
Total deductions	-	295,710	194,573
Balance end of year	\$ 100	23,774	8,020

Agricultural Extension Education	County Assessor	Schools	Community Colleges	Corpor- ations	Townships
69,099	592,905	9,138,349	614,505	3,848,506	44,715
71,273	270,080	9,482,577	692,989	3,992,698	46,701
-	-	-	-	-	-
4,310	15,663	571,274	35,531	247,469	2,701
-	3,669	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	8,101	-	-	-	-
75,583	297,513	10,053,851	728,520	4,240,167	49,402
-	-	-	-	-	-
75,218	349,485	9,972,147	669,549	4,157,542	48,945
-	-	-	-	-	-
75,218	349,485	9,972,147	669,549	4,157,542	48,945
69,464	540,933	9,220,053	673,476	3,931,131	45,172

Poweshiek County

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 2003

	Auto License and Use Tax	Brucellosis and Tuberculosis Eradication	Fire Districts
Assets and Liabilities			
Balance beginning of year	282,054	3,051	110,326
Additions:			
Property and other County tax	-	2,851	120,502
E911 surcharge	-	-	-
State tax credits	-	172	6,478
State allocation	-	-	-
Driver license fees	72,430	-	-
Office fees and collections	-	-	-
Auto licenses, use tax and postage	4,353,575	-	-
Assessments	-	-	-
Trusts	-	-	-
Miscellaneous	-	-	-
Total additions	4,426,005	3,023	126,980
Deductions:			
Agency remittances:			
To other funds	144,196	-	-
To other governments	4,224,606	3,015	120,437
Trusts paid out	-	-	-
Total deductions	4,368,802	3,015	120,437
Balance end of year	339,257	3,059	116,869

See accompanying independent auditor's report.

Emergency Management Services	Special Assess- ments	Tax Sale Redemp- tion	E911	Anatomical Gift Donations	Advance Tax	Total
26,174	30,021	9,647	173,840	94	8,273	14,977,743
-	-	-	-	-	-	14,679,671
-	-	-	171,269	-	-	171,269
-	-	-	-	-	-	883,598
-	-	-	-	-	-	3,669
-	-	-	-	-	-	72,430
-	-	-	-	-	-	365,206
-	-	-	-	-	-	4,353,575
-	13,455	-	-	-	-	13,455
-	-	193,710	-	-	-	324,497
18,671	-	-	3,884	305	2,724	33,685
18,671	13,455	193,710	175,153	305	2,724	20,901,055
-	74	1,650	-	18	-	401,944
20,351	15,600	-	111,073	340	-	19,873,514
-	-	189,542	-	-	8,614	327,227
20,351	15,674	191,192	111,073	358	8,614	20,602,685
24,494	27,802	12,165	237,920	41	2,383	15,276,113

Schedule 10

Poweshiek County

Comparison of Taxes and Intergovernmental Revenues

	Years ended June 30,			
	2003	2002	2001	2000
Taxes:				
Property tax	\$ 3,708,278	3,483,716	3,296,451	3,389,410
Utility tax replacement excise tax	196,287	201,356	202,180	-
Other	3,756	4,084	4,125	4,181
	<u>3,908,321</u>	<u>3,689,156</u>	<u>3,502,756</u>	<u>3,393,591</u>
Intergovernmental:				
State shared revenues:				
Franchise tax	28,065	20,076	32,557	13,403
Road use tax	2,276,449	2,293,962	2,199,773	2,231,761
Other	855	13,766	24,201	12,016
State tax replacements:				
State tax credits	230,059	245,875	290,211	265,107
State allocation	119,351	125,753	131,247	131,624
Mental health property tax relief	548,128	548,128	548,128	548,128
State and federal pass-thru revenues:				
Community development block grant	-	-	116,181	-
Social services block grant	79,094	74,378	75,250	76,587
Human services administrative reimbursement	49,196	48,608	35,679	34,790
Other	62,062			
Contributions from other intergovernmental units	377,302	304,519	335,203	236,717
State grants and entitlements:				
Home care aide grant	50,441	54,190	61,077	79,730
REAP grant	302	250,000	-	-
Other	51,306	83,188	221,364	230,145
	<u>3,872,610</u>	<u>4,062,443</u>	<u>4,070,871</u>	<u>3,860,008</u>
Total	<u>\$ 7,780,931</u>	<u>7,751,599</u>	<u>7,573,627</u>	<u>7,253,599</u>

See accompanying independent auditor's report.

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

Poweshiek County



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

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

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

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

To the Officials of Poweshiek County:

We have audited the general purpose financial statements of Poweshiek County, Iowa, as of and for the year ended June 30, 2003, and have issued our report thereon dated December 11, 2003. Our report expressed a qualified opinion on the financial statements due to the omission of the general fixed assets account group and the materials and supplies inventories, pertaining primarily to the Special Revenue Funds, which should be included in order to conform with U.S. generally accepted accounting principles. We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2003 are based exclusively on knowledge obtained from procedures performed during our audit of the general purpose financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes. Prior year statutory comments have been resolved except for item 14.

Internal Control Over Financial Reporting

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

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we believe item A is a material weakness. Prior year reportable conditions have not been resolved and are repeated as items A and B.

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

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

December 11, 2003

Poweshiek County

Schedule of Findings

Year ended June 30, 2003

Findings Related to the General Purpose Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

REPORTABLE CONDITIONS:

- (A) Segregation of Duties – During our review of internal control, the existing procedures are evaluated in order to determine that incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and therefore maximizes the accuracy of the County's financial statements. Generally one individual in the County Sheriff's office and one individual in the County Recorder's office may have control over opening and listing mail receipts, collecting, depositing, posting and daily reconciling for which no compensating controls exist.

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

An employee who is not authorized to make entries to the accounting records should open all incoming mail. This employee should prepare a listing of cash and checks received. The mail could then be forwarded to the accounting personnel for processing. Later, the same listing should be compared to the cash receipt records.

Bank accounts should be reconciled promptly at the end of each month by an individual who does not sign checks, handle or record cash.

Response –

Sheriff's Office – While in the process of cross-training a new employee last year, this year there are two other employees that assist in the duties described. Due to the size of the Sheriff's office, we are taking every measure possible to follow your recommendation without jeopardizing the prompt service the public has become accustomed to.

Recorder's Office – Due to shortage in staff and our heavy work load, it is impossible to segregate duties as suggested.

Conclusion – Responses acknowledged. For those offices with limited staff, other County personnel could be used to provide additional control through review of financial transactions.

Poweshiek County

Schedule of Findings

Year ended June 30, 2003

- (B) Information Systems – During our review of internal control, the existing control activities in the County’s computer based systems were evaluated in order to determine that 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:

The County does not have written policies for:

- password privacy and confidentiality.
- requiring password changes because software does not require the user to change log-ins/passwords periodically.
- time-out or log-off functions to protect unattended terminals. Screen saver passwords are not used to protect unattended terminals.
- ensuring only software licensed to the County is installed on computers.

Also, the County does not have a written disaster recovery plan.

Recommendation – The County should develop written policies addressing the above items in order to improve the County’s control over computer based systems. A written disaster recovery plan should be developed.

Response – Recommendation accepted.

Conclusion – Response accepted.

Poweshiek County

Schedule of Findings

Year ended June 30, 2003

Other Findings Related to Required Statutory Reporting:

- (1) Official Depositories – A resolution naming official depositories has been adopted by the Board. The maximum deposit amounts stated in the resolution were not exceeded during the year.
- (2) Certified Budget – Disbursements during the year ended June 30, 2003 did not exceed the amounts budgeted.
- (3) 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.
- (4) Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- (5) Business Transactions – No business transactions between the County and County officials or employees were noted.
- (6) Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of all coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- (7) Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- (8) Deposits and Investments – No instances of non-compliance with the deposit and investments provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.
- (9) 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).
- (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, 2003 for the County Extension Office did not exceed the amount budgeted.

Receipts are not deposited intact on a timely basis.

Recommendation – Receipts should be deposited intact on a timely basis.

Response – Getting receipts deposited in a timely manner has been corrected, particularly since it was brought to our attention. Our bookkeeper is now in the office each week and can make deposits.

Conclusion – Response accepted.

Poweshiek County

Schedule of Findings

Year ended June 30, 2003

- (11) Separate Account – A separately maintained account has been established for the Employee Group Health Insurance Plan. This account is not included in the County’s accounting system. However, it has been included in this report as an Internal Service Fund.

Recommendation – The Employee Group Health Insurance Plan receipts should be deposited and expended from a fund in the County’s accounting system.

Response – After considering and reviewing information from the State Auditor and other counties, Poweshiek County will continue to administer the Poweshiek County Employee Health Plan Trust as the practice since 1986 which incorporates it into the GAAP financial report as an Internal Service Fund.

Conclusion – Response acknowledged. The Employee Group Health Insurance Plan should be included in the County’s accounting system.

- (12) Deficit Fund Balance – The Internal Service Fund had a deficit fund balance of \$29,924 at June 30, 2003.

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

Response – The Board of Supervisors increased the health insurance premium in an attempt to eliminate a deficit fund balance.

Conclusion – Response accepted.

- (13) Interest on Investments – The County has allocated interest earned on investments to the Special Revenue, Special Law Enforcement, Sheriff/Jail, and County Attorney Forfeiture Funds. The Code of Iowa requires interest earned on all investments be credited to the General Fund, except as specifically provided by Chapter 12C.7 of the Code of Iowa.

Recommendation – Interest earned on investments, except as specifically provided by Chapter 12C.7 of the Code of Iowa, should be credited to the General Fund as required.

Response – The Sheriff and County Attorney have been notified by the Office of Treasurer that all interest earned on the Special Revenue, Special Law Enforcement, Sheriff/Jail, and County Attorney Forfeiture Funds has been transferred to the General Fund as required. All future interest earned on these funds will be transferred to the General Fund.

Conclusion – Response accepted.

- (14) Conservation Land Acquisition Trust Fund – During the year, the County paid \$13,312 from this fund for a truck and tractor. This does not appear to meet the requirements in Chapter 350.6 of the Code of Iowa that the fund be used for county conservation land acquisition and capital improvement projects.

Recommendation – The County should consult legal counsel for the disposition of this matter. In the future, the County should comply with Chapter 350.6 of the Code of Iowa.

Response – The Board of Supervisors will discuss with the Executive Director of the County Conservation.

Conclusion – Response accepted.

Poweshiek County

Staff

This audit was performed by:

Pamela J. Bormann, CPA, Manager
Selina V. Johnson, CPA, Senior Auditor
Kip M. Druecker, Assistant Auditor
Jedd D. Moore, Assistant Auditor

Andrew E. Nielsen, CPA
Deputy Auditor of State