



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

David A. Vaudt, CPA  
Auditor of State

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**NEWS RELEASE**

FOR RELEASE March 31, 2004

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

The County had local tax revenue of \$15,330,215 for the year ended June 30, 2003, which included \$1,367,489 in tax credits from the state. The County forwarded \$11,170,217 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$4,159,998 of the local tax revenue to finance County operations, a less than 1 percent decrease from the prior year. Other revenues included \$3,603,033 from other governments, including indirect federal funding, and \$49,157 in interest on investments.

Expenditures for County operations totaled \$8,548,642, an eight percent decrease from the prior year. Expenditures included \$2,967,035 for roads and transportation, \$1,305,554 for mental health and \$1,007,160 for public safety and legal services. The significant decrease in expenditures from 2002 to 2003 was due primarily to the purchase of secondary road department equipment and land in 2002.

The report contains recommendations to the Board of Supervisors and other County officials. For example, the County Treasurer, Recorder and Sheriff should segregate accounting duties over receipts and disbursements to the extent possible. The report also includes recommendations that various County officials comply with certain statutory requirements. County officials have responded that corrective action is being taken on each item in the report.

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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**GREENE COUNTY**  
**INDEPENDENT AUDITOR'S REPORTS**  
**FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2003**

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**Greene County**

**Officials**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<b>(Before January 2003)</b>		
Terrance F. Adams	Board of Supervisors	Jan 2003
Duane Larson	Board of Supervisors	Jan 2003
Bill Raney	Board of Supervisors	Jan 2005
Jack Anderson	Board of Supervisors	Jan 2005
Guy Richardson	Board of Supervisors	Jan 2005
Jane Heun	County Auditor	Jan 2005
Donna Lawson	County Treasurer	Jan 2003
Marcia Tasler	County Recorder	Jan 2003
Jeffrey R. Roeder	County Sheriff	Jan 2005
Nicola J. Martino	County Attorney	Jan 2003
Jim Spearman	County Assessor	Jan 2004
<b>(After January 2003)</b>		
Bill Raney	Board of Supervisors	Jan 2005
Jack Anderson	Board of Supervisors	Jan 2005
Guy Richardson	Board of Supervisors	Jan 2005
Terrance F. Adams	Board of Supervisors	Jan 2007
Duane Larson	Board of Supervisors	Jan 2007
Jane Heun	County Auditor	Jan 2005
Donna Lawson	County Treasurer	Jan 2007
Marcia Tasler	County Recorder	Jan 2007
Jeffrey R. Roeder	County Sheriff	Jan 2005
Nicola J. Martino	County Attorney	Jan 2007
Jim Spearman	County Assessor	Jan 2004

**Greene County**



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Independent Auditor's Report

To the Officials of Greene County:

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

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Greene County at June 30, 2003, and the results of its operations 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 Greene County for the year ended June 30, 2003.

As discussed in note 14 to the financial statements, Greene 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 financial statements.

In accordance with Government Auditing Standards, we have also issued our reports dated December 5, 2003 on our consideration of Greene County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the general purpose financial statements for the three years ended June 30, 2002 (none of which are presented herein) and expressed unqualified opinions on those financial statements. The supplemental information included in Schedules 1 through 11, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in our audit of the aforementioned financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.



DAVID A. VAUDT, CPA  
Auditor of State



WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

December 5, 2003

## **Financial Statements**



Greene County  
 Combined Balance Sheet  
 All Fund Types and Account Groups  
 June 30, 2003

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
<b>Assets and Other Debits</b>			
Cash and pooled investments:			
County Treasurer	\$ 1,308,570	1,467,176	3
Raccoon River Valley Trail Foundation	-	12,699	-
Other County officials	-	-	-
Receivables:			
Property tax:			
Delinquent	1,727	737	-
Succeeding year	2,166,000	1,745,000	-
Interest and penalty on property tax	2,579	-	-
Accounts	338	12,453	-
Drainage assessments	-	66,320	-
Due from other funds (note 7)	23,143	1,668	-
Due from other governments	31,389	289,364	-
Inventories	-	742,095	15,879
Property and equipment (note 3)	-	-	-
Amount available for drainage warrants/drainage improvement certificates	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-
Amount to be provided for retirement of drainage warrants/drainage improvement certificates	-	-	-
<b>Total assets and other debits</b>	<b>\$ 3,533,746</b>	<b>4,337,512</b>	<b>15,882</b>

Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-Term Debt	
722,255	-	-	3,498,004
-	-	-	12,699
20,335	-	-	20,335
11,014	-	-	13,478
10,024,000	-	-	13,935,000
-	-	-	2,579
24	-	-	12,815
-	-	-	66,320
-	-	-	24,811
-	-	-	320,753
-	-	-	757,974
-	10,234,165	-	10,234,165
-	-	14,332	14,332
-	-	595,816	595,816
-	-	59,872	59,872
10,777,628	10,234,165	670,020	29,568,953

Greene County  
 Combined Balance Sheet  
 All Fund Types and Account Groups  
 June 30, 2003

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
<b>Liabilities, Fund Equity and Other Credits</b>			
Liabilities:			
Accounts payable	\$ 67,644	216,645	-
Salaries and benefits payable	26,372	32,485	-
Due to other funds (note 7)	1,426	-	-
Due to other governments (note 8)	14,584	118,699	-
Trusts payable	-	-	-
Deferred revenue:			
Succeeding year property tax	2,166,000	1,745,000	-
Other	4,306	67,057	-
Capital lease purchase agreements (note 5)	-	-	-
Real estate contract payable (note 5)	-	-	-
Drainage warrants/drainage improvement certificates payable (note 10)	-	-	-
Compensated absences	16,324	12,327	-
<b>Total liabilities</b>	<b>2,296,656</b>	<b>2,192,213</b>	<b>-</b>
Fund equity and other credits:			
Investment in general fixed assets	-	-	-
Fund balances:			
Reserved for:			
Drainage district warrants	-	14,332	-
Supplemental levy purposes	288,597	-	-
Resource enhancement	7,678	-	-
Inventories	-	742,095	-
Unreserved:			
Designated for capital improvement projects	300,000		
Undesignated	640,815	1,388,872	15,882
<b>Total fund equity and other credits</b>	<b>1,237,090</b>	<b>2,145,299</b>	<b>15,882</b>
<b>Total liabilities, fund equity and other credits</b>	<b>\$ 3,533,746</b>	<b>4,337,512</b>	<b>15,882</b>

See notes to financial statements.

Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-Term Debt	
5,035	-	-	289,324
2,152	-	-	61,009
23,385	-	-	24,811
10,731,440	-	-	10,864,723
4,272	-	-	4,272
-	-	-	3,911,000
-	-	-	71,363
-	-	399,548	399,548
-	-	52,881	52,881
-	-	74,204	74,204
629	-	143,387	172,667
<u>10,766,913</u>	-	<u>670,020</u>	<u>15,925,802</u>
-	10,234,165	-	10,234,165
-	-	-	14,332
-	-	-	288,597
-	-	-	7,678
-	-	-	742,095
-	-	-	300,000
10,715	-	-	2,056,284
<u>10,715</u>	<u>10,234,165</u>	-	<u>13,643,151</u>
<u>10,777,628</u>	<u>10,234,165</u>	<u>670,020</u>	<u>29,568,953</u>

Greene 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	\$ 2,137,683	1,764,436
Interest and penalty on property tax	27,660	-
Intergovernmental	483,769	3,377,143
Licenses and permits	2,280	5,802
Charges for service	264,407	114,182
Use of money and property	58,811	6,686
Miscellaneous	3,960	765,221
Total revenues	2,978,570	6,033,470
Expenditures:		
Operating:		
Public safety and legal services	974,123	33,037
Physical health and social services	163,267	-
Mental health	-	1,305,554
County environment and education	483,887	216,264
Roads and transportation	-	2,967,035
Governmental services to residents	220,006	3,000
Administration	965,169	434
Non-program	28,729	59,806
Debt service	-	514,055
Capital projects	7,785	548,455
Total expenditures	2,842,966	5,647,640
Excess (deficiency) of revenues over (under) expenditures	135,604	385,830

<u>Types</u>	<u>Fiduciary Fund Type</u>	<u>Total</u>
<u>Capital Projects</u>	<u>Expendable Trust</u>	<u>(Memorandum Only)</u>
-	-	3,902,119
-	-	27,660
-	-	3,860,912
-	-	8,082
-	-	378,589
-	-	65,497
13,880	4,356	787,417
<u>13,880</u>	<u>4,356</u>	<u>9,030,276</u>
-	-	1,007,160
-	-	163,267
-	-	1,305,554
-	-	700,151
-	-	2,967,035
-	-	223,006
-	-	965,603
94	567	89,196
-	-	514,055
15,600	41,775	613,615
<u>15,694</u>	<u>42,342</u>	<u>8,548,642</u>
<u>(1,814)</u>	<u>(37,986)</u>	<u>481,634</u>

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Greene 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
Other financing sources (uses):		
Capital lease purchase agreement	3,145	-
Operating transfers in	-	1,000,000
Operating transfers out	(97,695)	(980,000)
Proceeds from drainage warrants and drainage improvements certificates	-	59,823
Total other financing sources (uses)	<u>(94,550)</u>	<u>79,823</u>
Excess of revenues and other financing sources over expenditures and other financing uses	41,054	465,653
Fund balances beginning of year	1,196,036	1,640,982
Increase in reserve for inventories	-	38,664
Fund balances end of year	<u>\$ 1,237,090</u>	<u>2,145,299</u>

See notes to financial statements.

<u>Types</u>	<u>Fiduciary Fund Type</u>	<u>Total</u>
<u>Capital Projects</u>	<u>Expendable Trust</u>	<u>(Memorandum Only)</u>
-	-	3,145
15,695	62,000	1,077,695
-	-	(1,077,695)
-	-	59,823
<u>15,695</u>	<u>62,000</u>	<u>62,968</u>
13,881	24,014	544,602
2,001	(13,299)	2,825,720
-	-	38,664
<u>15,882</u>	<u>10,715</u>	<u>3,408,986</u>



Greene 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	Less Funds not Required to be Budgeted
Receipts:		
Property and other County tax	\$ 3,929,778	-
Intergovernmental	4,076,854	-
Licenses and permits	7,641	-
Charges for service	372,981	-
Use of money and property	76,552	-
Miscellaneous	763,735	666,232
Total receipts	9,227,541	666,232
Disbursements:		
Public safety and legal services	1,025,678	-
Physical health and social services	150,364	-
Mental health	1,256,200	-
County environment and education	713,996	-
Roads and transportation	3,138,177	-
Governmental services to residents	224,044	-
Administration	990,919	-
Non-program	89,196	59,806
Debt service	514,055	514,055
Capital projects	616,785	1,289
Total disbursements	8,719,414	575,150
Excess of receipts over disbursements	508,127	91,082
Other financing uses, net	52,823	59,823
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	560,950	150,905
Balance beginning of year, as restated (note 13)	2,243,248	114,767
Balance end of year	\$ 2,804,198	265,672

See notes to financial statements.

Net	Amended Budget	Variance - Favorable (Unfavorable)	Net as % of Amended Budget
3,929,778	3,899,452	30,326	101%
4,076,854	3,764,083	312,771	108%
7,641	2,337	5,304	327%
372,981	264,617	108,364	141%
76,552	105,953	(29,401)	72%
97,503	262,000	(164,497)	37%
<u>8,561,309</u>	<u>8,298,442</u>	<u>262,867</u>	<u>103%</u>
1,025,678	1,076,173	50,495	95%
150,364	184,080	33,716	82%
1,256,200	1,256,200	-	100%
713,996	749,596	35,600	95%
3,138,177	3,236,100	97,923	97%
224,044	236,544	12,500	95%
990,919	1,057,117	66,198	94%
29,390	30,000	610	98%
-	-	-	
615,496	756,300	140,804	81%
<u>8,144,264</u>	<u>8,582,110</u>	<u>437,846</u>	<u>95%</u>
417,045	(283,668)		
<u>(7,000)</u>	-		
410,045	(283,668)		
<u>2,128,481</u>	<u>2,129,304</u>		
<u>2,538,526</u>	<u>1,845,636</u>		

Greene County

Notes to Financial Statements

June 30, 2003

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

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

A. Reporting Entity

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

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

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

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

The Raccoon River Valley Trail Foundation has been incorporated under Chapter 504A of the Code of Iowa to receive donations for the benefit of the Greene County Conservation Board. These donations would be used to purchase items that are not included in the County's budget. The financial transactions of this foundation have been displayed as a Special Revenue Fund.

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

B. Fund Accounting

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

Governmental Funds

General Fund – The General Fund is the general operating fund of the County. All general tax revenues and other 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.

Capital Projects Fund – The Capital Projects Fund is utilized to account for all resources used in the acquisition and construction of capital facilities.

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 Groups

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

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

C. Measurement Focus

Governmental Funds and the Expendable Trust Fund are accounted for on a spending or “financial flow” measurement focus. This means 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.

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 collectible within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred, except for unmatured interest on general long-term debt, which is recognized when due. Disbursements for the purchase of assets providing future benefits are recorded as expenditures at 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.

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

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 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.

Drainage Assessments Receivable – Drainage assessments receivable represent amounts assessed to individuals for work done on drainage districts which benefit their property. These assessments are payable by individuals in not less than 10 nor more than 20 annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Drainage assessments receivable represent assessments which are due and payable but have not been collected.

Due from and Due to Other Funds – During the course of its operations, the County has numerous transactions between funds. To the extent 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.

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

General Fixed Assets – General fixed assets are recorded as expenditures in the Governmental Funds and are capitalized (recorded and accounted for) in the General Fixed Assets Account Group. Assets in this account group are recorded at historical cost. Assets acquired by gift are accounted for at fair market value at the date of the gift. The General Fixed Assets Account Group excludes public domain or “infrastructure” general fixed assets, such as roads, bridges, curbs, gutters, streets, sidewalks and similar assets that are immovable and of value only to the government.

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

During the year ended June 30, 2003, no interest costs were capitalized since the County's policy is not to capitalize interest costs on assets constructed or acquired with tax-exempt debt paid for from annual debt service tax levies.

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

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

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds, 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 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 payments expected to be liquidated currently are recorded as liabilities of the Governmental Fund. A liability has been recorded in the General Long-Term Debt Account Group representing the County's commitment to fund non-current compensated absences. The compensated absences liability has been computed based on rates of pay in effect at June 30, 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 blended component units, drainage districts 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, Capital Projects Fund 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 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	\$ 3,014,010	(35,440)	2,978,570	6,209,175	(175,705)	6,033,470
Expenditures	2,889,609	(46,643)	2,842,966	5,768,604	(120,964)	5,647,640
Net	124,401	11,203	135,604	440,571	(54,741)	385,830
Other financing sources (uses)	(97,695)	3,145	(94,550)	79,823	-	79,823
Beginning fund balances	1,281,864	(85,828)	1,196,036	959,481	681,501	1,640,982
Increase in reserve for inventories	-	-	-	-	38,664	38,664
Ending fund balances	\$ 1,308,570	(71,480)	1,237,090	1,479,875	665,424	2,145,299

	Governmental Fund Types		
	Capital Projects		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ -	13,880	13,880
Expenditures	15,694	-	15,694
Net	(15,694)	13,880	(1,814)
Other financing sources (uses)	15,696	(1)	15,695
Beginning fund balances	1	2,000	2,001
Increase in reserve for inventories	-	-	-
Ending fund balances	\$ 3	15,879	15,882

	Fiduciary Fund Type					
	Expendable Trust			Total		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 4,356	-	4,356	9,227,541	(197,265)	9,030,276
Expenditures	45,507	(3,165)	42,342	8,719,414	(170,772)	8,548,642
Net	(41,151)	3,165	(37,986)	508,127	(26,493)	481,634
Other financing sources (uses)	54,999	7,001	62,000	52,823	10,145	62,968
Beginning fund balances	1,902	(15,201)	(13,299)	2,243,248	582,472	2,825,720
Increase in reserve for inventories	-	-	-	-	38,664	38,664
Ending fund balances	\$ 15,750	(5,035)	10,715	2,804,198	604,788	3,408,986



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 does 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 for U.S. Government securities are classified as 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:	
FNMA interest only strip	<u>\$ 485</u>

In addition, the County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$147 pursuant to Rule 2a-7 under the Investment Company Act of 1940 and are not subject to risk categorization.

**(3) Property and Equipment**

A summary of changes in property and equipment comprising general fixed assets for the year ended June 30, 2003 is as follows:

	Balances			Balances End of Year
	Beginning of Year (as restated, note 13)	Increases	Decreases	
Land	\$ 1,048,640	10,439	19,288	1,039,791
Buildings	2,177,410	-	-	2,177,410
Equipment	6,899,167	344,308	226,511	7,016,964
Total	\$ 10,125,217	354,747	245,799	10,234,165

Equipment includes \$626,093 of assets acquired under capital leases.

**(4) Contingent Liability and Medical Center Revenue Notes**

General Obligation Refunding Bonds

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

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

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

Details of this general obligation refunding bond indebtedness at June 30, 2003 are as follows:

<u>Year</u> <u>Ending</u> <u>June 30,</u>	<u>Interest</u> <u>Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	4.25%	\$ 175,000	74,530	249,530
2005	4.30	180,000	67,092	247,092
2006	4.40	190,000	59,353	249,353
2007	4.50	195,000	50,992	245,992
2008	4.60	210,000	42,218	252,218
2009	4.65	220,000	32,557	252,557
2010	4.75	225,000	22,328	247,328
2011	4.85	240,000	11,640	251,640
Total		<u>\$ 1,635,000</u>	<u>360,710</u>	<u>1,995,710</u>

Revenue Notes

On November 1, 1995, the County issued \$600,000 of revenue notes for the Greene County Medical Center.

The County is not contingently liable on the medical center revenue notes. Interest and principal are payable solely from the revenues of the Medical Center. The transactions for this revenue note issue are accounted for by the Greene County Medical Center.

During the year ended June 30, 2003, the Greene County Medical Center retired \$67,289 of revenue notes, leaving an outstanding balance of \$181,128 at June 30, 2003.

**(5) Long-Term Debt**

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

	Capital Lease Purchase Agreements	Real Estate Contract Payable	Drainage Warrants and Improvement Certificates	Compensated Absences	Total
Balance beginning of year	\$ 582,948	105,762	451,344	124,554	1,264,608
Additions	3,145	-	59,823	18,833	81,801
Reductions	186,545	52,881	436,963	-	676,389
Balance end of year	\$ 399,548	52,881	74,204	143,387	670,020

Capital Lease Purchase Agreements

The County has entered into capital lease purchase agreements to lease 3 motor graders and 3 radios. The following is a schedule of the future minimum lease payments, including interest of 5.25% and 7.56%, respectively, per annum, and the present value of net minimum lease payments under the agreements in effect at June 30, 2003.

Year Ending June 30,	Motor Graders	Radios	Total
2004	\$214,567	1,126	215,693
2005	214,567	1,126	215,693
Total minimum lease payments	429,134	2,252	431,386
Less amount representing interest	(31,605)	(233)	(31,837)
Present value of net minimum lease payments	\$397,529	2,019	399,549

During the year ended June 30, 2003, \$214,567 was paid under the motor graders lease and \$1,126 was paid under the radios lease.

Real Estate Contract Payable

The County has entered into a real estate contract to purchase land. Principal of \$52,881 and interest of \$3,702 at 7% per annum are outstanding at June 30, 2003 and are payable during the year ending June 30, 2004. During the year ended June 30, 2003, \$52,881 of principal and \$5,821 of interest were paid under the real estate contract.

**(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 \$137,102, \$133,365, and \$130,774, respectively, equal to the required contributions for each year.

**(7) 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	\$ 6,111
	County Sheriff	9,528
	Auto License and Use Tax	7,504
		<u>23,143</u>
Special Revenue:		
Secondary Roads	General	1,426
County Recorder's Records Management	Trust and Agency: County Recorder	242
Total		<u><u>\$ 24,811</u></u>

**(8) 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	<u>\$ 14,584</u>
Special Revenue:		
Secondary Roads	Services	1,140
Mental Health		117,559
		<u>118,699</u>
Trust and Agency:		
Agricultural Extension Education	Collections	142,247
County Assessor		320,331
Schools		6,609,050
Community Colleges		295,747
Corporations		1,865,462
Townships		152,632
Auto License and Use Tax		185,600
County Hospital		1,058,046
E911		79,373
All other		22,952
		<u>10,731,440</u>
Total		<u><u>\$ 10,864,723</u></u>

**(9) Risk Management**

Greene County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 400 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The

Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property and inland marine. There have been no reductions in insurance coverage from prior years.

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

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

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's annual contributions to the Pool for the year ended June 30, 2003 were \$113,262.

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

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 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 contributions. However, the refund is reduced by an amount equal to the annual operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

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

**(10) Drainage Warrants/Drainage Improvement Certificates Payable**

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

Drainage improvement certificates payable represent amounts due to purchasers of drainage improvement certificates. Drainage improvement certificates are waivers that provide for a landowner to pay an improvement assessment in installment payments over a designated number of years with interest at a designated interest rate. The improvement certificates representing those assessments or installments due from the landowner are sold for cash as interest bearing certificates. Funds received from the sale of certificates are used to pay outstanding registered warrants issued to contractors who perform work on drainage district improvements and registered warrants issued for other related costs. Drainage improvement certificates are redeemed and interest paid to the bearer of the certificate upon receipt of the installment payment plus interest, from the landowner.

Drainage warrants and drainage improvement certificates are paid from the Special Revenue, Drainage District Fund solely from assessments against benefited properties.

**(11) Loan Payable**

On May 21, 2001, the County authorized the issuance of a Spring Lake Camping Fee Revenue Note for \$150,000, with interest at 5.25% per annum, to complete the septic system at Spring Lake. The County repaid the remaining loan balance of \$7,000 during the year ended June 30, 2003.

**(12) E911 Lease agreement**

On July 23, 2002, the E911 Service Board approved a \$150,000 municipal lease agreement with United Bank of Churdan for the purchase of radio equipment. The lease calls for 5 annual payments of \$37,321, including interest at 7.89% per annum. Since the lease principal and interest is to be paid exclusively from E911 surcharge revenues, this liability has not been recorded in the County's financial statements.

**(13) Restatements**

The beginning balance of the funds not required to be budgeted on Exhibit C has been restated from \$338,855 to \$114,767 to properly reflect the Treasurer's cash balances of the funds not required to be budgeted at July 1, 2002.

The beginning balance of the General Fixed Assets Account Group has been restated to include equipment of \$502,234 that was not previously reported. The effect of this adjustment is to increase the beginning of the year balance of equipment from \$6,396,933 to \$6,899,167.

**(14) Prospective Accounting Change**

The Governmental Accounting Standards Board has 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**



**Greene County**

## Greene 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	\$ 2,066,130	
Utility tax replacement excise tax	70,835	
Other	<u>718</u>	\$ 2,137,683

Interest and penalty on property tax		27,660
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## Intergovernmental:

## State shared revenues:

Franchise tax	<u>23,509</u>	
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## State tax replacements:

State tax credits	144,586	
State allocation	<u>123,238</u>	
	<u>267,824</u>	

## State and federal pass-through revenues:

Resource enhancement and protection program	8,859	
Human services administrative reimbursement	14,703	
Affordable housing program	69,281	
Other	<u>41,672</u>	
	<u>134,515</u>	

## Contributions and reimbursements from

## other governmental units:

Contract law enforcement	32,643	
Prisoner care	3,176	
Other	<u>22,102</u>	
	<u>57,921</u>	483,769

Licenses and permits		2,280
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## Charges for service:

Office fees and collections	60,106	
Auto license, use tax, drivers license and mailing	84,108	
Recreation fees	61,928	
Other	<u>58,265</u>	264,407

**Schedule 1**

## Greene 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	49,613	
Net decrease in the fair value of investments	(572)	
Other	<u>9,770</u>	58,811
Miscellaneous		<u>3,960</u>
Total revenues		<u>2,978,570</u>
Expenditures:		
Operating:		
Public safety and legal services		974,123
Physical health and social services		163,267
County environment and education		483,887
Governmental services to residents		220,006
Administration		965,169
Non-program		28,729
Capital projects		<u>7,785</u>
Total expenditures		<u>2,842,966</u>
Excess of revenues over expenditures		135,604
Other financing sources (uses):		
Capital lease purchase agreement	3,145	
Operating transfers out:		
Special Revenue:		
Secondary Roads	(20,000)	
Capital Projects	(15,695)	
Expendable Trust:		
Conservation Land Acquisition Trust	<u>(62,000)</u>	<u>(94,550)</u>
Excess of revenues and other financing sources over expenditures and other financing uses		41,054
Fund balance beginning of year		<u>1,196,036</u>
Fund balance end of year		<u>\$ 1,237,090</u>

See accompanying independent auditor's report.

## Greene County

## General Fund

## Statement of Expenditures

Year ended June 30, 2003

## Public safety and legal services:

## Law enforcement:

Uniformed patrol services	\$ 142,954	
Investigations	6,931	
Unified law enforcement	31,482	
Law enforcement communication	108,043	
Adult correction services	26,049	
Administration	379,421	
	<u>694,880</u>	

## Legal services:

Criminal prosecution	97,928	
Medical examinations	19,605	
	<u>117,533</u>	

## Emergency services:

Ambulance services	45,353	
Emergency management	16,966	
	<u>62,319</u>	

## Assistance to district court system:

Physical operations	935	
Research and other assistance	17,541	
	<u>18,476</u>	

## Court proceedings:

Juries and witnesses	3,219	
Service of civil papers	30,072	
	<u>33,291</u>	

## Juvenile justice administration:

Juvenile victim restitution	46,947	
Court-appointed attorneys and court costs for juveniles	677	
	<u>47,624</u>	

\$ 974,123

## Physical health and social services:

## Educational services:

Health administration	<u>90,000</u>	
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## Services to the poor:

Administration	7,620	
General welfare services	14,880	
	<u>22,500</u>	

**Schedule 2**

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## Greene County

## General Fund

## Statement of Expenditures

Year ended June 30, 2003

Physical health and social services (continued):		
Services to military veterans:		
Administration	7,709	
General services to veterans	11,146	
	<u>18,855</u>	
Children's and family services:		
Family protective services	10,591	
	<u>10,591</u>	
Services to other adults:		
Other social services	1,660	
	<u>1,660</u>	
Chemical dependency:		
Treatment services	12,488	
Preventive services	7,173	
	<u>19,661</u>	163,267
County environment and education:		
Conservation and recreation services:		
Administration	483	
Maintenance and operations	205,067	
	<u>205,550</u>	
Animal control:		
Animal shelter	1,469	
	<u>1,469</u>	
County development:		
Land use and building controls	70,803	
Housing rehabilitation and development	103,541	
Economic development	50,000	
	<u>224,344</u>	
Educational services:		
Historic preservation	8,424	
Fair and 4-H clubs	36,600	
Memorial halls	7,500	
	<u>52,524</u>	483,887
Governmental services to residents:		
Representation services:		
Local elections	51,014	
Township officials	2,215	
	<u>53,229</u>	

## Greene County

## General Fund

## Statement of Expenditures

Year ended June 30, 2003

## Governmental services to residents (continued):

## State administrative services:

Motor vehicle registrations and licensing  
Recording of public documents

89,584

77,193

166,777

220,006

## Administration:

## Policy and administration:

General County management  
Administration management services  
Treasury management services  
Other policy and administration

143,692

78,620

80,695

317,979

620,986

## Central services:

General services  
Data processing services

202,817

38,288

241,105

## Risk management services:

Safety of the workplace  
Unemployment compensation

101,160

1,918

103,078

965,169

## Non-program:

Other non-program current expenditures:  
County care facility major maintenance

28,729

## Capital projects:

Conservation land acquisition

7,785

Total

\$2,842,966

See accompanying independent auditor's report.

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

	Rural Services	Secondary Roads	County Recorder's Records Management
<b>Assets</b>			
Cash and pooled investments:			
County Treasurer	\$ 256,141	622,193	7,809
Raccoon River Valley Trail Foundation	-	-	-
Receivables:			
Property tax:			
Delinquent	263	-	-
Succeeding year	1,156,000	-	-
Accounts	-	1,529	-
Drainage assessments	-	-	-
Due from other funds	-	1,426	242
Due from other governments	-	289,295	-
Inventories	-	742,095	-
<b>Total assets</b>	<b>\$ 1,412,404</b>	<b>1,656,538</b>	<b>8,051</b>
<b>Liabilities and Fund Equity</b>			
Liabilities:			
Accounts payable	\$ 953	111,323	-
Salaries and benefits payable	2,246	30,239	-
Due to other governments	-	1,140	-
Deferred revenue:			
Succeeding year property tax	1,156,000	-	-
Other	263	-	-
Compensated absences	610	11,717	-
Total liabilities	1,160,072	154,419	-
Fund equity:			
Fund balances:			
Reserved for:			
Drainage warrants	-	-	-
Inventories	-	742,095	-
Unreserved	252,332	760,024	8,051
Total fund equity	252,332	1,502,119	8,051
<b>Total liabilities and fund equity</b>	<b>\$ 1,412,404</b>	<b>1,656,538</b>	<b>8,051</b>

See accompanying independent auditor's report.

Mental Health	Forfeiture	Drainage Districts	Raccoon River Valley Trail Foundation	Total
326,137	1,923	252,973	-	1,467,176
-	-	-	12,699	12,699
474	-	-	-	737
589,000	-	-	-	1,745,000
10,924	-	-	-	12,453
-	-	66,320	-	66,320
-	-	-	-	1,668
69	-	-	-	289,364
-	-	-	-	742,095
<u>926,604</u>	<u>1,923</u>	<u>319,293</u>	<u>12,699</u>	<u>4,337,512</u>
103,393	976	-	-	216,645
-	-	-	-	32,485
117,559	-	-	-	118,699
589,000	-	-	-	1,745,000
474	-	66,320	-	67,057
-	-	-	-	12,327
<u>810,426</u>	<u>976</u>	<u>66,320</u>	<u>-</u>	<u>2,192,213</u>
-	-	14,332	-	14,332
-	-	-	-	742,095
116,178	947	238,641	12,699	1,388,872
<u>116,178</u>	<u>947</u>	<u>252,973</u>	<u>12,699</u>	<u>2,145,299</u>
<u>926,604</u>	<u>1,923</u>	<u>319,293</u>	<u>12,699</u>	<u>4,337,512</u>



Greene County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2003

	Rural Services	Secondary Roads
Revenues:		
Property and other County tax:		
Property tax	\$1,145,419	-
Utility tax replacement excise tax	32,320	-
Other	-	-
	1,177,739	-
Intergovernmental:		
State shared revenues:		
Road use tax allocation	-	1,968,095
State tax replacements:		
State tax credits	73,611	-
Mental health property tax relief	-	-
Other	-	-
	73,611	-
State and federal pass through revenues:		
Social services block grant	-	-
Other	-	627,766
	-	627,766
	73,611	2,595,861
Licenses and permits	-	5,802
Charges for service	-	-
Use of money and property:		
Interest on investments	-	-
Other	-	6,570
	-	6,570
Miscellaneous:		
Drainage assessments	-	-
Other	-	98,989
	-	98,989
Total revenues	1,251,350	2,707,222

County Recorder's Records Management	Mental Health	Forfeiture	Drainage Districts	Raccoon River Valley Trail Foundation	Total
-	567,059	-	-	-	1,712,478
-	19,441	-	-	-	51,761
-	197	-	-	-	197
-	586,697	-	-	-	1,764,436
-	-	-	-	-	1,968,095
-	39,682	-	-	-	113,293
-	410,342	-	-	-	410,342
-	99,354	-	-	-	99,354
-	549,378	-	-	-	622,989
-	44,004	-	-	-	44,004
-	114,289	-	-	-	742,055
-	158,293	-	-	-	786,059
-	707,671	-	-	-	3,377,143
-	-	-	-	-	5,802
2,669	111,513	-	-	-	114,182
116	-	-	-	-	116
-	-	-	-	-	6,570
116	-	-	-	-	6,686
-	-	-	654,982	-	654,982
-	-	-	-	11,250	110,239
-	-	-	654,982	11,250	765,221
2,785	1,405,881	-	654,982	11,250	6,033,470

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Greene County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2003

	Rural Services	Secondary Roads
Expenditures:		
Operating:		
Public safety and legal services:		
Law enforcement:		
Uniformed patrol services	30,976	-
Adult correction services	-	-
	<u>30,976</u>	<u>-</u>
Mental health:		
Persons with mental health problems - mental illness:		
General administration	-	-
Treatment services	-	-
Institutional, hospital, and commitment services	-	-
	<u>-</u>	<u>-</u>
Persons with chronic mental illness:		
Case management services	-	-
Personal and environmental support	-	-
Treatment services	-	-
Vocational and day services	-	-
Licensed or certified living arrangements	-	-
Institutional, hospital, and commitment services	-	-
	<u>-</u>	<u>-</u>
Persons with mental retardation:		
Coordination services	-	-
Personal and environmental support	-	-
Vocational and day services	-	-
Licensed or certified living arrangements	-	-
Institutional, hospital, and commitment services	-	-
	<u>-</u>	<u>-</u>
Persons with other developmental disabilities:		
Licensed or certified living arrangements	-	-
	<u>-</u>	<u>-</u>

County Recorder's Records Management	Mental Health	Forfeiture	Drainage Districts	Raccoon River Valley Trail Foundation	Total
-	-	-	-	-	30,976
-	-	2,061	-	-	2,061
-	-	2,061	-	-	33,037
-	15,274	-	-	-	15,274
-	35,676	-	-	-	35,676
-	42,056	-	-	-	42,056
-	93,006	-	-	-	93,006
-	1,000	-	-	-	1,000
-	14,956	-	-	-	14,956
-	39,959	-	-	-	39,959
-	53,390	-	-	-	53,390
-	126,215	-	-	-	126,215
-	42,963	-	-	-	42,963
-	278,483	-	-	-	278,483
-	11,898	-	-	-	11,898
-	5,557	-	-	-	5,557
-	232,968	-	-	-	232,968
-	527,549	-	-	-	527,549
-	113,891	-	-	-	113,891
-	891,863	-	-	-	891,863
-	42,202	-	-	-	42,202
-	1,305,554	-	-	-	1,305,554

Greene County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2003

	Rural Services	Secondary Roads
Expenditures (continued):		
Operating:		
County environment and education:		
Educational services:		
Libraries	72,792	-
Environmental quality:		
Weed eradication	92,533	-
Solid waste disposal	50,939	-
	<u>143,472</u>	<u>-</u>
	<u>216,264</u>	<u>-</u>
Roads and transportation:		
Secondary roads administration and engineering:		
Administration	-	123,055
Engineering	-	338,498
	<u>-</u>	<u>461,553</u>
Roadway maintenance:		
Bridges and culverts	-	12,443
Roads	-	806,190
Snow and ice control	-	53,221
Traffic controls	-	13,208
Road clearing	-	84,406
	<u>-</u>	<u>969,468</u>
General roadway:		
Equipment	-	304,608
Equipment operations	-	1,018,293
Tools, materials, and supplies	-	66,243
Real estate and buildings	-	146,870
	<u>-</u>	<u>1,536,014</u>
	<u>-</u>	<u>2,967,035</u>
Governmental services to residents:		
State administrative services:		
Recording of public documents	-	-
	<u>-</u>	<u>-</u>

County Recorder's Records Management	Mental Health	Forfeiture	Drainage Districts	Raccoon River Valley Trail Foundation	Total
-	-	-	-	-	72,792
-	-	-	-	-	92,533
-	-	-	-	-	50,939
-	-	-	-	-	143,472
-	-	-	-	-	216,264
-	-	-	-	-	123,055
-	-	-	-	-	338,498
-	-	-	-	-	461,553
-	-	-	-	-	12,443
-	-	-	-	-	806,190
-	-	-	-	-	53,221
-	-	-	-	-	13,208
-	-	-	-	-	84,406
-	-	-	-	-	969,468
-	-	-	-	-	304,608
-	-	-	-	-	1,018,293
-	-	-	-	-	66,243
-	-	-	-	-	146,870
-	-	-	-	-	1,536,014
-	-	-	-	-	2,967,035
3,000	-	-	-	-	3,000

Greene County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2003

	Rural Services	Secondary Roads
Expenditures (continued):		
Operating:		
Administration:		
Policy and administration:		
Other policy and administration	434	-
Non-program:		
Drainage district construction and repair	-	-
Debt service:		
Drainage district warrants	-	-
Interest on drainage district warrants	-	-
Capital projects:		
Roadway construction	-	547,166
Other capital projects	-	-
Total expenditures	247,674	3,514,201
Excess (deficiency) of revenues over (under) expenditures	1,003,676	(806,979)
Other financing sources (uses):		
Proceeds of drainage warrants and drainage improvement certificates	-	-
Operating transfers in (out):		
General	-	20,000
Special Revenue:		
Rural Services	-	980,000
Secondary Roads	(980,000)	-
Total other financing sources (uses)	(980,000)	1,000,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	23,676	193,021
Fund balances beginning of year	228,656	1,270,434
Increase in reserve for inventories	-	38,664
Fund balances end of year	\$ 252,332	1,502,119

See accompanying independent auditor's report.

County Recorder's Records Management	Mental Health	Forfeiture	Drainage Districts	Raccoon River Valley Trail Foundation	Total
-	-	-	-	-	434
-	-	-	59,806	-	59,806
-	-	-	436,963	-	436,963
-	-	-	77,092	-	77,092
-	-	-	514,055	-	514,055
-	-	-	-	-	547,166
-	-	-	-	1,289	1,289
-	-	-	-	1,289	548,455
3,000	1,305,554	2,061	573,861	1,289	5,647,640
(215)	100,327	(2,061)	81,121	9,961	385,830
-	-	-	59,823	-	59,823
-	-	-	-	-	20,000
-	-	-	-	-	980,000
-	-	-	-	-	(980,000)
-	-	-	59,823	-	79,823
(215)	100,327	(2,061)	140,944	9,961	465,653
8,266	15,851	3,008	112,029	2,738	1,640,982
-	-	-	-	-	38,664
8,051	116,178	947	252,973	12,699	2,145,299



**Greene County**

## Greene County

## Capital Projects Fund

## Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended June 30, 2003

Revenues:		
Miscellaneous		<u>\$ 13,880</u>
Expenditures:		
Non-program:		
Interest on short-term debt		94
Capital projects:		
Other capital projects		<u>15,600</u>
Total expenditures		<u>15,694</u>
Deficiency of revenues under expenditures		(1,814)
Other financing sources:		
Operating transfers in:		
General		<u>15,695</u>
Excess of revenues and other financing sources over expenditures		13,881
Fund balance beginning of year		<u>2,001</u>
Fund balance end of year		<u><u>\$ 15,882</u></u>

See accompanying independent auditor's report.

**Schedule 6**

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

	<u>Expendable Trust</u>		
	<u>Conservation Land Acquisition Trust</u>	Agency	Total
<b>Assets</b>			
Cash and pooled investments:			
County Treasurer	\$ 15,750	706,505	722,255
Other County officials	-	20,335	20,335
Receivables:			
Property tax:			
Delinquent	-	11,014	11,014
Succeeding year	-	10,024,000	10,024,000
Accounts	-	24	24
<b>Total assets</b>	<u>\$ 15,750</u>	<u>10,761,878</u>	<u>10,777,628</u>
<b>Liabilities and Fund Equity</b>			
Liabilities:			
Accounts payable	\$ 5,035	-	5,035
Salaries and benefits payable	-	2,152	2,152
Due to other funds	-	23,385	23,385
Due to other governments	-	10,731,440	10,731,440
Trusts payable	-	4,272	4,272
Compensated absences	-	629	629
Total liabilities	<u>5,035</u>	<u>10,761,878</u>	<u>10,766,913</u>
Fund equity:			
Unreserved fund balance	<u>10,715</u>	-	<u>10,715</u>
<b>Total liabilities and fund equity</b>	<u>\$ 15,750</u>	<u>10,761,878</u>	<u>10,777,628</u>

See accompanying independent auditor's report.

Greene County  
Expendable Trust Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Year ended June 30, 2003

	Conservation Land Acquisition Trust
Revenues:	
Miscellaneous:	
Other	\$ 4,356
Expenditures:	
Non-program:	
Interest on short-term debt	567
Capital projects:	
Conservation land acquisition and development	41,775
Total expenditures	42,342
Deficiency of revenues under expenditures	(37,986)
Other financing sources:	
Operating transfers in:	
General	62,000
Excess of revenues and other financing sources over expenditures	24,014
Fund balance beginning of year	(13,299)
Fund balance end of year	\$ 10,715

See accompanying independent auditor's report.

Greene County  
 Agency Funds  
 Combining Balance Sheet  
 June 30, 2003

		County Offices	
		County Recorder	County Sheriff
<b>Assets</b>			
Cash and pooled investments:			
County Treasurer	\$	-	-
Other County officials		6,519	13,816
Receivables:			
Property tax:			
Delinquent		-	-
Succeeding year		-	-
Accrued interest		24	-
<b>Total assets</b>		<b>\$ 6,543</b>	<b>13,816</b>
<b>Liabilities</b>			
Liabilities:			
Salaries and benefits payable		-	-
Due to other funds		6,353	9,528
Due to other governments		190	16
Trusts payable		-	4,272
Compensated absences		-	-
<b>Total liabilities</b>		<b>\$ 6,543</b>	<b>13,816</b>

Agricultural Extension Education	County Assessor	City Special Assessments	Schools	Community Colleges	Corporations	Townships
2,136	110,928	3,368	99,766	4,510	25,025	2,578
-	-	-	-	-	-	-
111	184	-	5,284	237	4,437	54
140,000	212,000	-	6,504,000	291,000	1,836,000	150,000
-	-	-	-	-	-	-
142,247	323,112	3,368	6,609,050	295,747	1,865,462	152,632
-	2,152	-	-	-	-	-
-	-	-	-	-	-	-
142,247	320,331	3,368	6,609,050	295,747	1,865,462	152,632
-	-	-	-	-	-	-
-	629	-	-	-	-	-
142,247	323,112	3,368	6,609,050	295,747	1,865,462	152,632

Greene County  
 Agency Funds  
 Combining Balance Sheet  
 June 30, 2003

	Auto License and Use Tax	Brucellosis and Tuberculosis Eradication
<b>Assets</b>		
Cash and pooled investments:		
County Treasurer	193,104	913
Other County officials	-	-
Receivables:		
Property tax:		
Delinquent	-	1
Succeeding year	-	2,000
Accounts	-	-
<b>Total assets</b>	<b>193,104</b>	<b>2,914</b>
<b>Liabilities</b>		
Liabilities:		
Salaries and benefits payable	-	-
Due to other funds	7,504	-
Due to other governments	185,600	2,914
Trusts payable	-	-
Compensated absences	-	-
<b>Total liabilities</b>	<b>193,104</b>	<b>2,914</b>

See accompanying independent auditor's report.

Drainage Districts	Emergency Management Services	County Hospital	E911	Total
487	15,977	168,340	79,373	706,505
-	-	-	-	20,335
-	-	706	-	11,014
-	-	889,000	-	10,024,000
-	-	-	-	24
487	15,977	1,058,046	79,373	10,761,878
-	-	-	-	2,152
-	-	-	-	23,385
487	15,977	1,058,046	79,373	10,731,440
-	-	-	-	4,272
-	-	-	-	629
487	15,977	1,058,046	79,373	10,761,878



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Greene County

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 2003

	County Offices	
	County Recorder	County Sheriff
<b>Assets and Liabilities</b>		
Balances beginning of year	\$ 5,988	16,883
Additions:		
Property and other County tax	-	-
E911 surcharge	-	-
State tax credits	-	-
Office fees and collections	172,885	177,589
Auto licenses, use tax and postage	-	-
Assessments	-	-
Miscellaneous	-	-
Total additions	<u>172,885</u>	<u>177,589</u>
Deductions:		
Agency remittances:		
To other funds	72,470	42,603
To other governments	99,860	76
Trusts paid out	-	137,977
Total deductions	<u>172,330</u>	<u>180,656</u>
Balances end of year	<u>\$ 6,543</u>	<u>13,816</u>

Agricultural Extension Education	County Assessor	City Special Assessments	Schools	Community Colleges	Corporations	Townships
139,708	376,904	1,904	6,477,743	294,407	1,851,467	163,274
139,571	214,364	4,108	6,496,765	291,008	1,877,082	148,615
-	-	-	-	-	-	-
11,916	19,696	-	582,740	25,223	382,527	10,214
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
151,487	234,060	4,108	7,079,505	316,231	2,259,609	158,829
-	-	-	-	-	-	-
148,948	287,852	2,644	6,948,198	314,891	2,245,614	169,471
-	-	-	-	-	-	-
148,948	287,852	2,644	6,948,198	314,891	2,245,614	169,471
142,247	323,112	3,368	6,609,050	295,747	1,865,462	152,632

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Greene County

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 2003

	<u>Auto License and Use Tax</u>	<u>Brucellosis and Tuberculosis Eradication</u>
<b>Assets and Liabilities</b>		
Balances beginning of year	179,950	3,142
Additions:		
Property and other county tax	-	1,845
E911 surcharge	-	-
State tax credits	-	160
Office fees and collections	-	-
Auto licenses, use tax and postage	2,296,924	-
Assessments	-	-
Miscellaneous	-	-
Total additions	<u>2,296,924</u>	<u>2,005</u>
Deductions:		
Agency remittances:		
To other funds	83,045	-
To other governments	2,200,725	2,233
Trusts paid out	-	-
Total deductions	<u>2,283,770</u>	<u>2,233</u>
Balances end of year	<u>193,104</u>	<u>2,914</u>

See accompanying independent auditor's report.

Drainage Districts	Emergency Management Services	County Hospital	E911	Total
2,494	15,557	1,040,527	127,691	10,697,639
-	-	887,249	-	10,060,607
-	-	-	60,923	60,923
-	-	77,134	-	1,109,610
-	-	-	-	350,474
-	-	-	-	2,296,924
121	-	-	-	121
-	16,966	-	10,998	27,964
121	16,966	964,383	71,921	13,906,623
-	-	-	-	198,118
2,128	16,546	946,864	120,239	13,506,289
-	-	-	-	137,977
2,128	16,546	946,864	120,239	13,842,384
487	15,977	1,058,046	79,373	10,761,878

**Schedule 10**

## Greene County

## Comparison of Taxes and Intergovernmental Revenues

	Years ended June 30,			
	2003	2002	2001	2000
<b>Taxes:</b>				
Property tax	\$ 3,778,608	3,792,130	3,680,791	3,696,745
Utility tax replacement excise tax	122,596	124,827	127,151	-
Other	915	2,718	2,786	1,072
	<u>3,902,119</u>	<u>3,919,675</u>	<u>3,810,728</u>	<u>3,697,817</u>
<b>Intergovernmental:</b>				
State shared revenues:				
Road use tax	1,968,095	1,962,051	1,881,459	1,908,816
Other	23,509	10,943	28,142	13,845
State tax replacements:				
State tax credits	257,879	269,961	324,791	343,197
State allocation	123,238	123,011	91,905	93,066
Mental health property tax relief	410,342	410,342	410,342	410,342
Other	99,354	69,582	48,990	56,819
State and federal pass-through revenues:				
Social services block grant	44,004	130,373	48,186	61,669
Affordable housing program	69,281	96,193	119,987	-
Other	807,289	645,004	718,901	255,197
Direct federal grants and entitlements:				
Public safety partnership and community policing	4,196	-	-	1,421
Contributions from other governmental units				
	#REF!	92,213	82,294	119,851
	<u>#REF!</u>	<u>3,809,673</u>	<u>3,754,997</u>	<u>3,264,223</u>
Total	<u>#REF!</u>	<u>7,729,348</u>	<u>7,565,725</u>	<u>6,962,040</u>

See accompanying independent auditor's report.

Greene County  
 Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2003

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Direct:			
U.S. Department of Justice			
Public Safety Partnership and Community Policing Grants	16.710		\$ 4,196
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
State Administrative Matching Grants for Food Stamp Program			
	10.561		2,402
U.S. Department of Housing and Urban Development:			
Iowa Department of Economic Development:			
HOME Investment Partnerships Program			
	14.239	00-HM-109-65	69,281
U.S. Department of Transportation			
Iowa Department of Transportation:			
Highway Planning and Construction			
	20.205	BROS-CO37(34)--8J-37	28,439
	20.205	BROS-CO37(35)--8J-37	16,793
	20.205	BROS-CO37(41)--8J-37	129,060
	20.205	BROS-CO37(42)--8J-37	155,200
	20.205	BROS-CO37(43)--8J-37	108,122
			437,614
Iowa Department of Public Safety:			
State and Community Highway Safety			
	20.600	PAP 02-157 Task 45	590
Federal Emergency Management Agency:			
Iowa Department of Public Defense			
Hazard Mitigation Grant			
	83.548	1230-0032	1,621
U.S. Department of Health and Human Services:			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Temporary Assistance for Needy Families			
	93.558		3,787
Refugee and Entrant Assistance - State Administered Programs			
	93.566		17
Child Care Mandatory and Matching Funds of the Child Care and Development Fund			
	93.596		482
Foster Care - Title IV-E			
	93.658		1,262
Adoption Assistance			
	93.659		426
Medical Assistance Program			
	93.778		3,838
Social Services Block Grant			
	93.667		2,489
Social Services Block Grant			
	93.667		44,004
			46,493
Total			\$ 572,009

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

See accompanying independent auditor's report.

**Greene County**



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

David A. Vaudt, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

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 Greene County:

We have audited the general purpose financial statements of Greene County, Iowa, as of and for the year ended June 30, 2003, and have issued our report thereon dated December 5, 2003. 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 Greene County's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 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 items IV-J-03 and IV-K-03.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Greene 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 Greene County's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in Part II of the accompanying Schedule of Findings and Questioned Costs.



A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we believe item II-A-03 is a material weakness. Prior year reportable conditions have been resolved except for items II-A-03, II-B-03, II-C-03, II-D-03 and II-E-03.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Greene County and other parties to whom Greene County may report. 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 Greene County during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



DAVID A. VAUDT, CPA  
Auditor of State



WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

December 5, 2003



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

David A. Vaudt, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

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

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

To the Officials of Greene County:

Compliance

We have audited the compliance of Greene County, Iowa, with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 2003. Greene County's major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Greene County's management. Our responsibility is to express an opinion on Greene County's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Greene County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Greene County's compliance with those requirements.

In our opinion, Greene County complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2003.

Internal Control Over Compliance

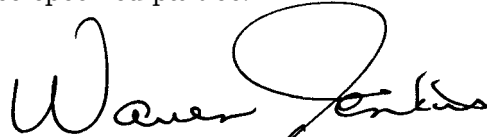
The management of Greene County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Greene County's internal control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

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

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



DAVID A. VAUDT, CPA  
Auditor of State



WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

December 5, 2003

Greene County  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2003

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

- (a) An unqualified opinion was issued on the financial statements.
- (b) Reportable conditions in internal control over financial reporting were disclosed by the audit of the financial statements, including a material weakness.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over the major program were noted.
- (e) An unqualified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit disclosed no audit findings required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The major program was CFDA Number 20.205 – Highway Planning and Construction.
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Greene County did not qualify as a low-risk auditee.

Greene County

Schedule of Findings and Questioned Costs

Year ended June 30, 2003

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

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITIONS:**

II-A-03 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 or two individuals in the offices identified may have control over the following areas for which no compensating controls exist:

	<u>Applicable Offices</u>
(1) Receipts--opening and listing mail receipts, collecting, depositing, posting and daily reconciling.	Treasurer, Recorder and Sheriff
(2) Disbursements--processing of vouchers, check writing, signing, posting, reconciling and final approval.	Recorder

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

Response –

County Treasurer – I open the mail and review the deposit that is prepared every morning. I ensure work has been completed for received checks. I will document my review periodically.

County Sheriff – We will review our operating procedures and utilize available staff to maximize internal controls.

County Recorder – The employee who opens mail will perform a random listing of moneys received and follow-up to ensure items are deposited. Two employees will document review of the monthly “Recorders Daily Cash Sheet”. Another County employee will review cancelled checks against the check register.

Conclusion – Responses accepted.

Greene County

Schedule of Findings and Questioned Costs

Year ended June 30, 2003

- II-B-03 Compensated Absences – Certain employees have accumulated unused vacation and compensatory time hours in excess of the maximum hours allowed under the County’s current personnel policy and union agreement. In addition, an employee accrued vacation hours prior to the one-year anniversary date.

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

Response – The County will review those policies and agreements to determine whether changes are necessary.

Conclusion – Response acknowledged.

- II-C-03 Electronic Data Processing 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:

- requiring password changes because software does not require the user to change passwords periodically.
- requiring the computer system to log password usage so the same password can not be used again.
- requiring the computer system to deny access to the user after three failed attempts to gain access to the computer system.

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 – We will develop written policies for these items. The disaster recovery plan is being developed.

Conclusion – Response accepted.

- II-D-03 County Treasurer – Although monthly bank reconciliations were performed, variances between the book balance and the bank balance at June 30, 2003 were not investigated and resolved.

Greene County

Schedule of Findings and Questioned Costs

Year ended June 30, 2003

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

Response – I will improve on reconciling variances between book and bank balances in order to clear up the variances.

Conclusion – Response accepted.

- II-E-03 Secondary Roads Inventory – The unit costs for certain inventory items were not supported. Listed costs varied from costs identified by the secondary roads central office.

Recommendation – Secondary roads personnel should ensure unit costs are updated routinely to reflect recent costs and supporting documentation is maintained.

Response – We will comply.

Conclusion – Response accepted.

- II-F-03 Secondary Roads Department Capital Assets – Detailed capital asset records are maintained. However, additions are not always recorded at cash price plus allowable trade-in in accordance with U.S. generally accepted accounting principles. The capital asset policy does not adequately address valuation procedures for capital asset additions, deletions, trade-ins, donations and financing.

Recommendation – A comprehensive capital asset policy should be established.

Response – The Board will develop a comprehensive capital assets policy to address the necessary procedures.

Conclusion – Response accepted.

- II-G-03 Drainage Districts – The drainage ledger that accounts for the receipts, disbursements and ending balances of each individual drainage district did not include July, 2002 drainage activity. The drainage ledger was adjusted for financial statement purposes.

Recommendation – The County should make appropriate software or year end accounting procedure changes to ensure all activity for the year is included in the drainage ledger.

Response – We will comply.

Conclusion – Response accepted.

Greene County

Schedule of Findings and Questioned Costs

Year ended June 30, 2003

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

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITIONS:**

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



Greene County

Schedule of Findings and Questioned Costs

Year ended June 30, 2003

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

- IV-A-03 Official Depositories – A resolution naming official depositories has been adopted by the Board of Supervisors. The maximum deposit amounts stated in the resolution were not exceeded during the year.
- IV-B-03 Certified Budget – Disbursements during the year ended June 30, 2003 did not exceed the amounts budgeted.
- IV-C-03 Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-D-03 Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- IV-E-03 Business Transactions – No business transactions between the County and County officials or employees were noted.
- IV-F-03 Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- IV-G-03 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-H-03 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.
- IV-I-03 Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- IV-J-03 Health Insurance – The County purchases health insurance which has a deductible for employees. The County reimburses employees for a portion of the deductible through a self-insured benefit plan. Chapter 509A.15 of the Code of Iowa requires the County to obtain an actuarial opinion issued by a fellow of the Society of Actuaries which attests to the adequacy of reserves, rates and the financial condition of the plan.

Recommendation – The County should obtain an actuarial opinion, issued by a fellow of the Society of Actuaries, as required. Or, if the County's employees health insurance plan's yearly claims do not exceed one percent of the County's General Fund budget, the County may be exempt from Chapter 509A.15 of the Code of Iowa, in accordance with the House File 647, effective July 1, 2003. The County's request for exemption from Chapter 509A.15 should be made in writing to the Iowa Insurance Division each year.

Response – We will take this under advisement and will contact the Iowa Insurance Division.

Conclusion – Response accepted.

Greene County

Schedule of Findings and Questioned Costs

Year ended June 30, 2003

IV-K-03 Greene County E911 – Iowa Administrative Code Section 605, Chapter 10 requires an E911 Fund be established in the County Treasurer's Office and warrants for payment be drawn by the County Auditor. During FY02, the E911 activity was transferred from the County to a separate bank account and the activity was no longer recorded in the County's records.

Recommendation – The Agency, E911 Fund should be maintained by the County Treasurer and warrants should be drawn by the County Auditor as required by Iowa Administrative Code Section 605, Chapter 10.

Response – These proposed changes if adopted by the Board and approved by the Auditor and Greene County Treasurer will be incorporated into the Greene County E911 bylaws.

The County Auditor shall receive all surcharge checks from the phone companies, and make a record of when received, review and turn them over to the Greene County Treasurer. The County Auditor will keep the duplicate bills turned in for payment along with the record of surcharge monies in a separate file.

The Greene County Treasurer shall contact the United Bank of Iowa in Churdan, and set up (change) the E911 Board's Account to read Greene County E911 Surcharge Fund, and Greene County Operating Account to read Greene County E911 Operating Fund.

Monthly statement with check and deposit slip images will be sent to her which she will keep in a separate file and make available for audit and or review. Upon receiving a surcharge check from the County Auditor, the Treasurer will endorse it and send it to the bank in Churdan.

The Treasurer of the Greene County E911 Board shall keep itemized records of all expenses and revenues and make reports to the Board when required to do so. He shall submit to the County Auditor all bills. They shall contain an affidavit signed by the Treasurer and cosigned by two other members of the Executive Board. The County Auditor will keep one set of these on file and the E911 Treasurer will keep the original bills on file.

If and when this proposal is adopted, the Greene County E911 Board should reappoint the members of the Executive Board.

Conclusion – Response accepted.

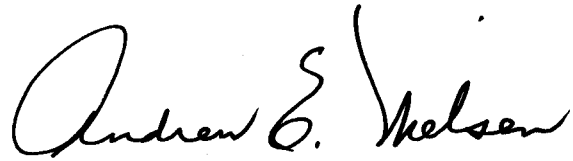
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Greene County

Staff

This audit was performed by:

Ronald D. Swanson, CPA, Manager  
Ernest H. Ruben, Jr., CPA, Senior Auditor II  
Cory A. Warmuth, CPA, Staff Auditor  
Curtis J. Schroeder, Assistant Auditor  
Donald N. Miksch, Assistant Auditor

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

Andrew E. Nielsen, CPA  
Deputy Auditor of State