



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

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NEWS RELEASE

FOR RELEASE January 16, 2003

Contact: Andy Nielsen
515/281-5515

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

The County had local tax revenue of \$26,219,199 for the year ended June 30, 2002, which included \$1,659,835 in tax credits from the state. The County forwarded \$20,981,203 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$5,237,996 of the local tax revenue to finance County operations, a seventeen percent increase from the prior year. Other revenues included \$4,293,993 from the state, including indirect federal funding, \$13,351 from direct federal grants and entitlements, \$599,343 in local option sales tax and \$410,951 in interest on investments. The significant increase is due primarily to an increase in property taxes for debt service and General Fund purposes.

Expenditures for County operations totaled \$14,359,439, a twenty-six percent increase from the prior year. Expenditures included \$3,832,568 for roads and transportation, \$3,609,233 for capital projects and \$1,859,850 for mental health. The significant increase in expenditures is due primarily to the jail construction project expenditures.

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

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

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Boone County

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Donovan Olson	Board of Supervisors	Jan 2003
David W. Reed	Board of Supervisors	Jan 2005
Albert G. Sorenson	Board of Supervisors	Jan 2005
Philippe Meier	County Auditor	Jan 2005
L. Cheryl Hunter	County Treasurer	Jan 2003
Sheryl Thul	County Recorder	Jan 2003
Ronald Fehr	County Sheriff	Jan 2005
Jim Robbins	County Attorney	Jan 2003
Kathleen A. Anderson	County Assessor	Jan 2007

Boone County



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Independent Auditor's Report

To the Officials of Boone County:

We have audited the accompanying general purpose financial statements, listed as exhibits in the table of contents of this report, of Boone County, Iowa, as of and for the year ended June 30, 2002. These general purpose financial statements are the responsibility of Boone 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 Boone County at June 30, 2002 and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with U.S. generally accepted accounting principles. Also, the Comparison of Receipts, Disbursements and Changes in Balances - Actual to Budget (Cash Basis) presents fairly, in all material respects, the cash transactions and the legally adopted budget of the governmental fund types and expendable trust fund of Boone County for the year ended June 30, 2002.

In accordance with Government Auditing Standards, we have also issued our report dated November 14, 2002 on our consideration of Boone County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the general purpose financial statements for the year ended June 30, 2001 (none of which are presented herein) and expressed an unqualified opinion on those financial statements. We also audited the financial statements for the two years ended June 30, 2000 (none of which are presented herein) and expressed a qualified opinion on those financial statements due to the omission of the general fixed assets account group. The

supplemental information included in Schedules 1 through 12 is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in our audit of the aforementioned financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

November 14, 2002

Financial Statements

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

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits				
Cash and pooled investments:				
County Treasurer	\$ 1,116,731	3,129,163	13,305	2,103,903
Other County officials	-	-	-	-
Receivables:				
Property tax:				
Delinquent	3,725	1,963	551	-
Succeeding year	2,552,000	1,933,000	388,000	-
Interest and penalty on property tax	18,477	-	-	-
Accounts	32,843	3,811	-	-
Accrued interest	3,365	687	-	4,336
Road assessments succeeding year	-	151,106	-	-
Special assessments	-	-	-	-
Due from other funds (note 8)	99,934	6,999	-	-
Due from other governments	163,430	297,120	-	-
Inventories	-	283,860	-	-
Prepaid insurance	19,413	217	-	-
General fixed assets (note 3)	-	-	-	-
Property and equipment (net of accumulated depreciation of \$1,303,552) (note 3)	-	-	-	-
Amount available in Debt Service Fund	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
Total assets and other debits	\$ 4,009,918	5,807,926	401,856	2,108,239

Proprietary Fund Type Enterprise	Fiduciary Fund Type Trust and Agency	Account Groups		Total (Memorandum Only)
		General Fixed Assets	General Long-Term Debt	
2,162,364	1,531,968	-	-	10,057,434
-	100,783	-	-	100,783
-	33,196	-	-	39,435
-	19,619,000	-	-	24,492,000
-	-	-	-	18,477
125,727	41,027	-	-	203,408
18,024	-	-	-	26,412
-	-	-	-	151,106
-	61,453	-	-	61,453
158,436	1,899	-	-	267,268
-	37,207	-	-	497,757
-	-	-	-	283,860
3,575	-	-	-	23,205
-	-	12,500,138	-	12,500,138
1,678,228	-	-	-	1,678,228
-	-	-	13,322	13,322
-	-	-	5,033,802	5,033,802
4,146,354	21,426,533	12,500,138	5,047,124	55,448,088

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

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities, Fund Equity and Other Credits				
Liabilities:				
Accounts payable	\$ 103,455	103,490	-	295,557
Salaries and benefits payable	12,339	22,476	-	-
Due to other funds (note 8)	11,469	-	-	-
Due to other governments (note 4)	52,392	197,389	-	-
Trusts payable	-	-	-	-
Deferred revenue:				
Succeeding year property tax	2,552,000	1,933,000	388,000	-
Other	26,499	155,158	534	-
Bonds payable (note 6)	-	-	-	-
Compensated absences	10,576	12,822	-	-
Deferred payment contract (note 10)	-	-	-	-
Estimated liability for landfill closure and postclosure care costs (note 5)	-	-	-	-
Total liabilities	2,768,730	2,424,335	388,534	295,557
Fund equity and other credits:				
Investment in general fixed assets	-	-	-	-
Unreserved retained earnings	-	-	-	-
Fund balances:				
Reserved for:				
Inventories	-	283,860	-	-
Prepaid insurance	19,413	217	-	-
Unreserved	1,221,775	3,099,514	13,322	1,812,682
Total fund equity and other credits	1,241,188	3,383,591	13,322	1,812,682
Total liabilities, fund equity and other credits	\$ 4,009,918	5,807,926	401,856	2,108,239

See notes to financial statements.

Proprietary Fund Type Enterprise	Fiduciary Fund Type Trust and Agency	Account Groups		Total (Memorandum Only)
		General Fixed Assets	General Long-Term Debt	
51,858	85,384	-	-	639,744
3,150	766	-	-	38,731
154,765	101,034	-	-	267,268
12	20,868,476	-	-	21,118,269
-	301,020	-	-	301,020
-	-	-	-	4,873,000
-	-	-	-	182,191
-	-	-	4,800,000	4,800,000
11,223	20,257	-	190,874	245,752
-	-	-	56,250	56,250
767,680	-	-	-	767,680
988,688	21,376,937	-	5,047,124	33,289,905
-	-	12,500,138	-	12,500,138
3,157,666	-	-	-	3,157,666
-	-	-	-	283,860
-	-	-	-	19,630
-	49,596	-	-	6,196,889
3,157,666	49,596	12,500,138	-	22,158,183
4,146,354	21,426,533	12,500,138	5,047,124	55,448,088

Boone County

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

Year ended June 30, 2002

	Governmental Fund	
	General	Special Revenue
Revenues:		
Property and other County tax	\$ 2,709,775	2,365,386
Interest and penalty on property tax	67,451	-
Intergovernmental	759,651	3,970,500
Licenses and permits	9,856	575
Charges for service	810,223	21,800
Use of money and property	190,610	3,647
Miscellaneous	37,693	165,042
Total revenues	4,585,259	6,526,950
Expenditures:		
Operating:		
Public safety	1,760,082	14,986
Court services	125,096	-
Physical health and education	269,239	60,000
Mental health	-	1,859,850
Social services	569,845	-
County environment	436,932	183,231
Roads and transportation	-	3,832,568
State and local government services	428,021	1,340
Interprogram services	867,867	-
Debt service	-	55,000
Capital projects	15,000	507,611
Total expenditures	4,472,082	6,514,586
Excess (deficiency) of revenues over (under) expenditures	113,177	12,364
Other financing sources (uses):		
Sale of general fixed assets	-	29,480
Operating transfers in	-	1,441,109
Operating transfers out	(127,947)	(1,363,592)
Total other financing sources (uses)	(127,947)	106,997
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(14,770)	119,361
Fund balances beginning of year	1,254,412	3,289,423
Increase (decrease) in reserve for:		
Inventories	-	(5,316)
Prepaid insurance	1,546	(19,877)
Fund balances end of year	\$ 1,241,188	3,383,591

See notes to financial statements.

Types		Fiduciary Fund Type	Total
Debt Service	Capital Projects	Expendable Trust	(Memorandum Only)
429,765	-	-	5,504,926
-	-	-	67,451
29,444	80,557	-	4,840,152
-	-	-	10,431
-	-	-	832,023
-	242,449	-	436,706
-	-	1,849	204,584
<u>459,209</u>	<u>323,006</u>	<u>1,849</u>	<u>11,896,273</u>
-	-	-	1,775,068
-	-	-	125,096
-	-	-	329,239
-	-	-	1,859,850
-	-	-	569,845
-	-	-	620,163
-	-	-	3,832,568
-	-	-	429,361
-	-	-	867,867
286,149	-	-	341,149
-	3,086,622	-	3,609,233
<u>286,149</u>	<u>3,086,622</u>	<u>-</u>	<u>14,359,439</u>
<u>173,060</u>	<u>(2,763,616)</u>	<u>1,849</u>	<u>(2,463,166)</u>
-	-	-	29,480
55,000	50,000	430	1,546,539
-	(55,000)	-	(1,546,539)
<u>55,000</u>	<u>(5,000)</u>	<u>430</u>	<u>29,480</u>
228,060	(2,768,616)	2,279	(2,433,686)
(214,738)	4,581,298	47,317	8,957,712
-	-	-	(5,316)
-	-	-	(18,331)
<u>13,322</u>	<u>1,812,682</u>	<u>49,596</u>	<u>6,500,379</u>

Boone 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, 2002

	Actual	Less Funds not Required to be Budgeted
Receipts:		
Property and other County tax	\$ 5,508,063	-
Interest and penalty on property tax	67,597	-
Intergovernmental	4,754,313	-
Licenses and permits	10,206	-
Charges for service	814,596	-
Use of money and property	422,609	-
Miscellaneous	218,749	67,159
Total receipts	11,796,133	67,159
Disbursements:		
Public safety	1,774,534	-
Court services	129,915	-
Physical health and education	354,731	-
Mental health	1,868,547	-
Social services	577,990	-
County environment	602,591	-
Roads and transportation	3,899,657	-
State and local government services	422,036	-
Interprogram services	879,085	-
Debt service	286,149	55,000
Capital projects	3,495,009	18,863
Total disbursements	14,290,244	73,863
Excess (deficiency) of receipts over (under) disbursements	(2,494,111)	(6,704)
Other financing sources, net	(25,520)	-
Deficiency of receipts and other financing sources under disbursements and other financing uses	(2,519,631)	(6,704)
Balance beginning of year	8,932,329	110,183
Balance end of year	\$ 6,412,698	103,479

See notes to financial statements.

Net	Amended Budget	Variance - Favorable (Unfavorable)	Net as % of Amended Budget
5,508,063	5,534,155	(26,092)	100%
67,597	43,200	24,397	156%
4,754,313	5,510,351	(756,038)	86%
10,206	7,300	2,906	140%
814,596	682,590	132,006	119%
422,609	311,415	111,194	136%
151,590	421,785	(270,195)	36%
<u>11,728,974</u>	<u>12,510,796</u>	<u>(781,822)</u>	<u>94%</u>
1,774,534	1,875,735	101,201	95%
129,915	144,521	14,606	90%
354,731	378,101	23,370	94%
1,868,547	2,128,840	260,293	88%
577,990	703,970	125,980	82%
602,591	706,281	103,690	85%
3,899,657	4,505,500	605,843	87%
422,036	466,939	44,903	90%
879,085	1,015,524	136,439	87%
231,149	286,149	55,000	81%
3,476,146	4,714,100	1,237,954	74%
<u>14,216,381</u>	<u>16,925,660</u>	<u>2,709,279</u>	<u>84%</u>
(2,487,407)	(4,414,864)		
<u>(25,520)</u>	<u>2,500</u>		
(2,512,927)	(4,412,364)		
<u>8,822,146</u>	<u>8,785,085</u>		
<u>6,309,219</u>	<u>4,372,721</u>		

Exhibit D

Boone County

Combined Statement of Revenues, Expenses and Changes in Retained Earnings

Proprietary Fund Type

Year ended June 30, 2002

	<u>Enterprise</u>
Operating revenues:	
Charges for service	\$ 1,203,510
Per capita fees	177,460
Solid waste fees	257,875
Miscellaneous	23,910
Total operating revenue	<u>1,662,755</u>
Operating expenses:	
Salaries and wages	241,194
Payroll taxes	30,124
Fringe benefits	50,659
Fuel	56,162
Mileage	3,505
Utilities	6,969
Insurance	9,267
Solid waste fees remitted to Iowa Department of Natural Resources	121,589
Education and training	67,450
Engineering services	29,299
Maintenance and repair	56,876
Operations	52,283
Depreciation	326,403
Dues and membership	2,006
Leachate control/disposal	10,805
Hauling costs	10,709
Accounting	13,400
Recycling	103,577
Phase 4-R expansion project	588,787
Gravel	60,478
Leachate hauling and treatment	49,056
Miscellaneous	4,660
Adjustment to estimate for total landfill closure and postclosure care costs	79,492
Total operating expenses	<u>1,974,750</u>
Operating loss	(311,995)

Boone County**Combined Statement of Revenues, Expenses and Changes in Retained Earnings****Proprietary Fund Type****Year ended June 30, 2002**

	<u>Enterprise</u>
Non-operating revenues:	
Interest on investments	<u>23,432</u>
Net loss	(288,563)
Retained earning beginning of year	<u>3,446,229</u>
Retained earnings end of year	<u>\$ 3,157,666</u>

See notes to financial statements.

Exhibit E

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

	<u>Enterprise</u>
Cash flows from operating activities:	
Operating loss	\$ (311,995)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	326,403
Change in assets and liabilities:	
Decrease in accounts receivable	30,382
(Increase) in due from other funds	(5,664)
Decrease in accrued interest	24,424
(Increase) in prepaid insurance	(368)
(Decrease) in accounts payable	(101,298)
Increase in salaries and benefits payable	85
(Decrease) in due to other governments	(27,660)
Increase in due to other funds	33,275
Increase in compensated absences	7,849
Increase in estimated liability for landfill closure and post closure care costs	<u>116,500</u>
Net cash provided by operating activities	<u>91,933</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(31,678)
Cash flows from investing activities:	
Interest on investments	<u>23,432</u>
Net increase in cash and cash equivalents	83,687
Cash and cash equivalents at beginning of year	<u>2,078,677</u>
Cash and cash equivalents at end of year	<u><u>\$ 2,162,364</u></u>

See notes to financial statements.

Boone County

Notes to Financial Statements

June 30, 2002

(1) Summary of Significant Accounting Policies

Boone 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, Boone 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 Boone 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 Boone County Board of Supervisors. These drainage districts are reported as a Special Revenue Fund. Financial information for the individual drainage districts can be obtained from the Boone County Auditor's office.

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: Boone County Assessor's Conference Board, Boone County Emergency Management Commission and the Boone County Joint E911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in an Agency Fund of the County.

B. Fund Accounting

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

Governmental Funds

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

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

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

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

Proprietary Funds

Enterprise Funds - The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Boone County has three enterprise funds which account for the operations of the County Landfill.

Fiduciary Funds

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

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

Account Groups

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

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

C. Measurement Focus

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

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

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

D. Basis of Accounting

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

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

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

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

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

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

E. Assets, Liabilities and Fund Equity

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

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

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

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the County Board of Supervisors. Delinquent property taxes 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, 2000 assessed property valuations; is for the tax accrual period July 1, 2001 through June 30, 2002 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March, 2001.

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

Due from and Due to Other Funds - During the course of its operations, the County has numerous transactions between funds. To the extent that certain transactions between funds had not been paid or received as of June 30, 2002, balances of interfund amounts receivable or payable have been recorded.

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

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

General Fixed Assets - General fixed assets are recorded as expenditures in the Governmental Funds and are capitalized (recorded and accounted for) in the General Fixed Assets Account Group. Assets in this account group are recorded at historical cost. 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 Asset Account Group. Maintenance and repairs are recorded as expenditures in the Governmental Funds as incurred and are not capitalized.

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

Property and Equipment - Property and equipment of the County's proprietary funds are valued at historical cost. Contributed fixed assets are valued at their estimated fair market value on the date donated. Depreciation has been calculated using the straight-line method. No interest costs were capitalized since there were no qualifying assets.

Estimated useful lives of fixed assets of the County's proprietary funds are as follows:

	<u>Years</u>
Buildings	40
Equipment	5-20

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

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

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

Compensated Absences - County employees accumulate a limited amount of earned but unused vacation 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 a liability 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. Vacation pay is accrued when incurred in proprietary funds and reported as a fund liability. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2002.

F. Budgets and Budgetary Accounting

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

Formal and legal budgetary control is based upon 12 major classes of expenditures known as service areas, not by fund or fund type. These 12 service areas are: public safety, court services, physical health and education, mental health, social services, county environment, roads and transportation, state and local government services, interprogram services, non-program, debt service and capital projects. Service area disbursements required to be budgeted include disbursements for the general fund, special revenue funds, debt service fund, capital projects funds and the expendable trust fund. Although the budget document presents service area disbursements by fund, the legal level of control is at the aggregated service area level, not at the fund or fund type level. Legal budgetary control is also based upon the appropriation to each office or department.

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

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

	Governmental Fund Types					
	General			Special Revenue		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 4,479,783	105,476	4,585,259	6,523,690	3,260	6,526,950
Expenditures	4,479,601	(7,519)	4,472,082	6,538,085	(23,499)	6,514,586
Net	182	112,995	113,177	(14,395)	26,759	12,364
Other financing sources (uses)	94,910	-	(127,947)	51,997	55,000	106,997
Beginning fund balances	1,021,639	232,773	1,254,412	3,091,561	197,862	3,289,423
Increase (decrease) in reserve for:						
Inventories	-	-	-	-	(5,316)	(5,316)
Prepaid insurance	-	1,546	1,546	-	(19,877)	(19,877)
Ending fund balances	\$ 1,116,731	347,314	1,241,188	3,129,163	254,428	3,383,591

	Governmental Fund Types					
	Debt Service			Capital Projects		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 459,217	(8)	459,209	331,594	(8,588)	323,006
Expenditures	286,149	-	286,149	2,986,409	100,213	3,086,622
Net	173,068	(8)	173,060	(2,654,815)	(108,801)	(2,763,616)
Other financing sources (uses)	(167,857)	222,857	55,000	(5,000)	-	(5,000)
Beginning fund balances	8,094	(222,832)	(214,738)	4,763,718	(182,420)	4,581,298
Increase (decrease) in reserve for:						
Inventories	-	-	-	-	-	-
Prepaid insurance	-	-	-	-	-	-
Ending fund balances	\$ 13,305	17	13,322	2,103,903	(291,221)	1,812,682

	Fiduciary Fund Type			Total		
	Expendable Trust			Cash Basis	Accrual Adjustments	Modified Accrual Basis
	Cash Basis	Accrual Adjustments	Modified Accrual Basis			
Revenues	\$ 1,849	-	1,849	11,796,133	100,140	11,896,273
Expenditures	-	-	-	14,290,244	69,195	14,359,439
Net	1,849	-	1,849	(2,494,111)	30,945	(2,463,166)
Other financing sources (uses)	430	-	430	(25,520)	55,000	29,480
Beginning fund balances	47,317	-	47,317	8,932,329	25,383	8,957,712
Increase (decrease) in reserve for:						
Inventories	-	-	-	-	(5,316)	(5,316)
Prepaid insurance	-	-	-	-	(18,331)	(18,331)
Ending fund balances	\$ 49,596	-	49,596	6,412,698	87,681	6,500,379

G. Total (Memorandum Only)

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

(2) Cash and Pooled Investments

The County's deposits in banks at June 30, 2002 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

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

In addition, The County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$1,920,754 pursuant to Rule 2a-7 under the Investment Company Act of 1940 and are not subject to risk categorization.

(3) Property and Equipment

General Fixed Assets

A summary of changes in property and equipment comprising general fixed assets for the year ended June 30, 2002 is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Land	\$ 298,728	178,238	-	476,966
Buildings	1,185,638	26,853	39,220	1,173,271
Equipment	7,214,872	1,134,770	681,504	7,668,138
Construction in progress	363,148	2,996,853	178,238	3,181,763
Total	<u>\$ 9,062,386</u>	<u>4,336,714</u>	<u>898,962</u>	<u>12,500,138</u>

Property and Equipment

A summary of changes in property and equipment reported in the Landfill Enterprise Fund for the year ended June 30, 2002 is as follows:

Cost	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Land	\$ 488,499	-	-	488,499
Buildings	443,091	-	-	443,091
Equipment	2,018,513	31,677	-	2,050,190
Total	<u>\$ 2,950,103</u>	<u>31,677</u>	<u>-</u>	<u>2,981,780</u>

Accumulated Depreciation	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Buildings	\$ 34,926	7,774	-	42,700
Equipment	942,224	318,628	-	1,260,852
Total	<u>\$ 977,150</u>	<u>326,402</u>	<u>-</u>	<u>1,303,552</u>

Cost less accumulated depreciation	<u>\$ 1,972,953</u>	<u>(294,725)</u>	<u>-</u>	<u>1,678,228</u>
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(4) Due to Other Governments

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

Fund	Description	Amount
General	Services	\$ 52,392
Special Revenue:		
Mental Health		<u>197,389</u>
Enterprise:		
Landfill Operations	Services	<u>12</u>
Trust and Agency:		
Agricultural Extension		
Education	Collections	111,847
County Assessor		442,996
Schools		12,880,125
Community Colleges		472,518
Corporations		5,132,955
Townships		243,703
Auto License and Use Tax		457,855
County Hospital		797,760
E911 Service Commission		127,621
All other		<u>201,096</u>
		<u>20,868,476</u>
Total		<u>\$21,118,269</u>

(5) Closure and Postclosure Care Costs

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

Governmental Accounting Standards Board Statement No. 18 requires landfill owners to estimate total landfill closure and postclosure care costs and recognize a portion of these costs each year based on the percentage of estimated total landfill capacity used that period. Estimated total costs would consist of four components: (1) the cost of equipment and facilities used in postclosure monitoring and care, (2) the cost of final cover (material and labor), (3) the cost of monitoring the landfill during the postclosure period and (4) the cost of any environmental cleanup required after closure. Estimated total cost is based on the cost to purchase those services and equipment currently and is required to be updated annually for changes due to inflation or deflation, technology, or applicable laws or regulations.

The total costs for the Boone County Landfill have been estimated at \$1,919,200 as of June 30, 2002 and the portion of the liability that has been recognized is \$767,680. This liability represents the cumulative amount reported to date based on the use of approximately 40 percent of the capacity of the landfill with a remaining life of eight years. The cumulative usage amount decreased from 60% to 40% due to the opening of a new cell. A provision for the above liability has been made on the County's balance sheet as of June 30, 2002. The County has accumulated resources to fund these costs and at June 30, 2002, resources of \$904,016 are held for these purposes. They are reported within the Enterprise Closure and Postclosure Fund.

(6) Changes in Long-Term Debt

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

	Bonds Payable	Compensated Absences	Deferred Payment Contract	Drainage Anticipatory Warrant	Total
Balance beginning of year	\$ 4,800,000	182,000	75,000	55,000	5,112,000
Additions	-	8,874	-	-	8,874
Reductions	-	-	18,750	55,000	73,750
Balance end of year	<u>\$ 4,800,000</u>	<u>190,874</u>	<u>56,250</u>	<u>-</u>	<u>5,047,124</u>

Bonds Payable

A summary of the County's June 30, 2002 general obligation bonded indebtedness is as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2003	6.000%	\$ 145,000	267,098	412,098
2004	6.000	155,000	258,398	413,398
2005	6.000	170,000	249,098	419,098
2006	6.000	180,000	238,898	418,898
2007	6.000	195,000	228,098	423,098
2008	6.000	205,000	216,398	421,398
2009	5.250	220,000	204,098	424,098
2010	5.125	235,000	192,548	427,548
2011	5.150	255,000	180,506	435,506
2012	5.200	265,000	167,372	432,372
2013	5.300	280,000	153,592	433,592
2014	5.400	300,000	138,752	438,752
2015	5.450	315,000	122,552	437,552
2016	5.500	335,000	105,386	440,386
2017	5.550	355,000	86,960	441,960
2018	5.600	375,000	67,258	442,258
2019	5.650	395,000	46,258	441,258
2020	5.700	420,000	23,940	443,940
		<u>\$ 4,800,000</u>	<u>2,947,210</u>	<u>7,747,210</u>

(7) Pension and Retirement Benefits

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

Plan members are required to contribute 3.7% of their annual covered salary and the County is required to contribute 5.75% of annual covered payroll except for law enforcement employees, in which case the percentages are 5.50% and 8.25%, respectively. Contribution requirements are established by state statute. The County's contribution to IPERS for the years ended June 30, 2002, 2001, and 2000 were \$205,731, \$200,721, and \$183,103, respectively, equal to the required contributions for each year.

(8) Due From and Due to Other Funds

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

Receivable Fund	Payable Fund	Amount
General	Enterprise: Landfill Operations	\$ 3,737
	Trust and Agency: County Recorder	53,580
	County Sheriff	28,455
	Auto License and Use Tax	14,162
Special Revenue:		
County Recorder's Records Management	Trust and Agency: County Recorder	2,098
	General	134
Task Force	Trust and Agency: County Sheriff	2,590
Secondary Roads	General	1,871
	Enterprise: Landfill Operations	157
	Trust and Agency: Emergency Management	72
	Assessor	77
Enterprise: Ground Water Tax	Enterprise: Landfill Operations	14,535
Landfill Operations	Closure and Post Closure	136,336
Landfill Operations	General	7,565
Trust and Agency: Emergency Management	General	364
E911 Operating	General	672
Empowerment	General	<u>863</u>
Total		<u>\$ 267,268</u>

(9) Risk Management

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

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

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

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's annual contributions to the Pool for the year ended June 30, 2002 were \$90,774.

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

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

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may

withdraw from the Pool. Upon withdrawal, payments for all claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its capital contributions, however, the refund is reduced by an amount equal to the annual operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$500,000 and \$100,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(10) Deferred Payment Contract

Boone County borrowed, over a two-year period, \$187,500 from the City of Boone for improvements to the Boone County Fairgrounds. Ten equal annual payments will be made on the contract at no interest with the final payment due January 1, 2005.

Year Ending June 30,	Outstanding Balance
2003	\$ 18,750
2004	18,750
2005	<u>18,750</u>
Total	<u>\$ 56,250</u>

(11) Hospital Revenue Bonds

The County has entered into a loan agreement to borrow not to exceed \$7,500,000 to enlarge and improve the Boone County Hospital. The loan agreement was entered into pursuant to the authority contained in Section 331.402(3) of the Code of Iowa and does not constitute a general obligation of the County.

(12) Construction Commitment

The County has entered into a contract totaling \$4,158,100 for a law enforcement center. As of June 30, 2002, costs of \$3,330,646 had been incurred against the contract. The balance remaining at June 30, 2002 of \$827,454 will be paid as work on the project progresses.

(13) Budget Overexpenditure

Per the Code of Iowa, disbursements may not legally exceed amounts budgeted by Service Area or amounts appropriated by department. During the year ended June 30, 2002, disbursements exceeded the amount budgeted in the Debt Service Service Area and disbursements in certain departments exceeded the amounts appropriated.

Supplemental Information

Boone County

Boone County

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended June 30, 2002

Revenues:

Property and other County tax:

Property tax	\$ 2,423,787	
Local option sales tax	149,836	
Utility tax replacement excise tax	129,177	
Other	<u>6,975</u>	\$ 2,709,775

Interest and penalty on property tax

67,451

Intergovernmental:

State shared revenues:

Franchise tax	21,416	
Other	<u>1,307</u>	
	<u>22,723</u>	

State grants and reimbursements including indirect federal funding:

Human services administration reimbursement	106,535	
Home care aide grant	72,752	
Other	<u>113,158</u>	
	<u>292,445</u>	

State tax replacements:

State tax credits	176,581	
State allocation	<u>151,383</u>	
	<u>327,964</u>	

Direct federal grants and entitlements:

Patrol reimbursement	<u>13,351</u>	
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Contributions and reimbursements from other government units

94,923

Payments in lieu of taxes

8,245

759,651

Licenses and permits

9,856

Charges for service:

Office fees and collections	320,288	
Auto registration, use tax and mailing	184,646	
Other	<u>305,289</u>	810,223

Schedule 1

Boone County

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended June 30, 2002

Revenues (continued):		
Use of money and property:		
Interest on investments	166,255	
Other	<u>24,355</u>	190,610
Miscellaneous		<u>37,693</u>
Total revenues		<u>4,585,259</u>
Expenditures:		
Operating:		
Public safety		1,760,082
Court services		125,096
Physical health and education		269,239
Social services		569,845
County environment		436,932
State and local government services		428,021
Interprogram services		867,867
Capital projects		<u>15,000</u>
Total expenditures		<u>4,472,082</u>
Excess of revenues over expenditures		113,177
Other financing uses:		
Operating transfers out:		
Special Revenue:		
Secondary Roads	(77,517)	
Capital Projects	(50,000)	
Expendable Trust:		
Conservation Land Acquisition Trust	<u>(430)</u>	<u>(127,947)</u>
Deficiency of revenues under expenditures and other financing uses		(14,770)
Fund balance beginning of year		1,254,412
Increase in reserve for prepaid insurance		<u>1,546</u>
Fund balance end of year		<u>\$ 1,241,188</u>

See accompanying independent auditor's report.

Boone County

General Fund

Statement of Expenditures

Year ended June 30, 2002

Public Safety Service Area:

Law enforcement:

Uniformed patrol services	\$ 539,695	
Law enforcement communication	176,445	
Adult correction services	496,052	
Administration	252,994	
	<u>1,465,186</u>	

Legal services:

Criminal prosecution	216,335	
Medical examinations	17,349	
	<u>233,684</u>	

Emergency services:

Ambulance services	7,240	
Emergency management	53,972	
	<u>61,212</u>	\$ 1,760,082

Court Services Service Area:

Assistance to district court system:

Physical operations	673	
Research and other assistance	4,915	
	<u>5,588</u>	

Court proceedings:

Court costs	2,217	
Service of civil papers	14,519	
	<u>16,736</u>	

Juvenile justice administration:

Juvenile victim restitution	97,879	
Court-appointed attorneys and court costs for juveniles	4,893	
	<u>102,772</u>	125,096

Schedule 2

Boone County

General Fund

Statement of Expenditures

Year ended June 30, 2002

Physical Health and Education Service Area:

Physical health services:

Sanitation	31,163	
Health administration	172,576	
	<u>203,739</u>	

Educational services:

Historic preservation	5,500	
Fair and 4-H clubs	20,000	
Fairgrounds	40,000	
	<u>65,500</u>	269,239

Social Services Service Area:

Services to the poor:

Administration	214,835	
General welfare services	92,974	
	<u>307,809</u>	

Services to military veterans:

Administration	44,661	
General services to veterans	42,986	
	<u>87,647</u>	

Children and family services:

Youth guidance	20,454	
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Services to other adults:

Services to the elderly	45,924	
Other social services	38,800	
	<u>84,724</u>	

Chemical dependency:

Treatment services	69,211	569,845
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County Environment Service Area:

Environmental quality program:

Natural resources conservation	2,000	
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Conservation and recreation services:

Administration	50,355	
Maintenance and operations	359,997	
Recreation and environmental education services	1,980	
	<u>412,332</u>	

Boone County

General Fund

Statement of Expenditures

Year ended June 30, 2002

County Environment Service Area (continued):

County development:

Economic development	22,600	436,932
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State and Local Government Services Service Area:

Representation services:

Elections administration	79,843	
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Local elections	20,753	
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	<u>100,596</u>	
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State administrative services:

Motor vehicle registrations and licensing	156,784	
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Recording of public documents	170,641	
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	<u>327,425</u>	
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428,021

Interprogram Services Service Area:

Policy and administration:

General County management	135,632	
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Administrative management services	190,126	
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Treasury management services	171,948	
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Other policy and administration	36,498	
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	<u>534,204</u>	
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Central services:

General services	198,965	
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Data processing services	90,838	
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	<u>289,803</u>	
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Risk management services:

Tort liability	17,706	
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Safety of the workplace	25,282	
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Fidelity of public officials	872	
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	<u>43,860</u>	
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867,867

Capital Projects Service Area:

Other capital projects		<u>15,000</u>
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Total

	<u><u>\$ 4,472,082</u></u>
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See accompanying independent auditor's report.

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

	Rural Services	Secondary Roads	Resource Enhance- ment and Protection
Assets			
Cash and pooled investments	\$ 97,398	1,886,502	60,641
Receivables:			
Property tax:			
Delinquent	810	-	-
Succeeding year	1,143,000	-	-
Accounts	213	1,679	-
Accrued interest	-	-	687
Road assessments succeeding year	-	151,106	-
Due from other funds	-	2,177	-
Due from other governments	66,499	230,479	142
Inventories	-	283,860	-
Prepaid insurance	-	217	-
Total assets	\$ 1,307,920	2,556,020	61,470
Liabilities and Fund Equity			
Liabilities:			
Accounts payable	\$ 5,884	35,396	-
Salaries and benefits payable	1,453	21,023	-
Due to other governments	-	340	-
Deferred revenue:			
Succeeding year property tax	1,143,000	-	-
Other	750	151,106	-
Compensated absences	278	12,544	-
Total liabilities	1,151,365	220,409	-
Fund equity:			
Fund balance:			
Reserved for:			
Inventories	-	283,860	-
Prepaid insurance	-	217	-
Unreserved	156,555	2,051,534	61,470
Total fund equity	156,555	2,335,611	61,470
Total liabilities and fund equity	\$ 1,307,920	2,556,020	61,470

See accompanying independent auditor's report.

County Recorder's Records Management	Drainage Districts	Mental Health	Task Force	Attorney Drug Prosecution	Total
23,874	103,479	917,385	34,391	5,493	3,129,163
-	-	1,153	-	-	1,963
-	-	790,000	-	-	1,933,000
-	-	-	1,735	184	3,811
-	-	-	-	-	687
-	-	-	-	-	151,106
2,232	-	-	2,590	-	6,999
-	-	-	-	-	297,120
-	-	-	-	-	283,860
-	-	-	-	-	217
26,106	103,479	1,708,538	38,716	5,677	5,807,926
-	-	62,210	-	-	103,490
-	-	-	-	-	22,476
-	-	197,049	-	-	197,389
-	-	790,000	-	-	1,933,000
-	-	1,119	2,183	-	155,158
-	-	-	-	-	12,822
-	-	1,050,378	2,183	-	2,424,335
-	-	-	-	-	283,860
-	-	-	-	-	217
26,106	103,479	658,160	36,533	5,677	3,099,514
26,106	103,479	658,160	36,533	5,677	3,383,591
26,106	103,479	1,708,538	38,716	5,677	5,807,926

Boone County
Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2002

	Rural Services	Secondary Roads
Revenues:		
Property and other County tax:		
Property tax	\$ 1,039,811	-
Local option sales tax	449,507	-
Utility tax replacement excise tax	50,475	-
Other	1,926	-
	1,541,719	-
Intergovernmental:		
State shared revenues:		
Road use tax	-	2,734,767
State grants and reimbursements including indirect federal funding:		
Social services block grant	-	-
Other	-	245
	-	245
State tax replacements:		
State tax credits	69,726	-
State allocation	-	-
Mental health property tax relief	-	-
Other	646	619
	70,372	619
Contributions and reimbursements from other government units		
	-	67,435
	70,372	2,803,066
Licenses and permits	-	575
Charges for service	13,581	-
Use of money and property:		
Interest on investments	-	-
Other	-	1,400
	-	1,400
Miscellaneous:		
Assessments	-	30,860
Other	1,136	33,221
	1,136	64,081
Total revenues	1,626,808	2,869,122

Resource Enhance- ment and Protection	County Recorder's Records Management	Drainage Districts	Mental Health	Task Force	Attorney Drug Prosecution	Total
-	-	-	779,911	-	-	1,819,722
-	-	-	-	-	-	449,507
-	-	-	41,567	-	-	92,042
-	-	-	2,189	-	-	4,115
-	-	-	823,667	-	-	2,365,386
-	-	-	-	-	-	2,734,767
-	-	-	90,761	-	-	90,761
4,680	-	-	-	1,974	-	6,899
4,680	-	-	90,761	1,974	-	97,660
-	-	-	56,821	-	-	126,547
-	-	-	143,723	-	-	143,723
-	-	-	733,008	-	-	733,008
-	-	-	66,095	-	-	67,360
-	-	-	999,647	-	-	1,070,638
-	-	-	-	-	-	67,435
4,680	-	-	1,090,408	1,974	-	3,970,500
-	-	-	-	-	-	575
-	8,219	-	-	-	-	21,800
1,897	350	-	-	-	-	2,247
-	-	-	-	-	-	1,400
1,897	350	-	-	-	-	3,647
-	-	48,152	-	-	-	79,012
-	-	19,006	3,278	23,712	5,677	86,030
-	-	67,158	3,278	23,712	5,677	165,042
6,577	8,569	67,158	1,917,353	25,686	5,677	6,526,950

Boone County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2002

	<u>Rural Services</u>	<u>Secondary Roads</u>
Expenditures:		
Operating:		
Public Safety Service Area:		
Law enforcement:		
Investigations	-	-
Physical Health and Education Service Area:		
Educational services:		
Libraries	60,000	-
Mental Health Service Area:		
Persons with mental health problems - mental illness:		
Information and education	-	-
General administration	-	-
Personal and environmental support	-	-
Treatment services	-	-
Vocational and day services	-	-
Licensed or certified living arrangements	-	-
Institutional, hospital, and commitment services	-	-
	-	-
Persons with chronic mental illness:		
General administration	-	-
Coordination services	-	-
Personal and environmental support	-	-
Treatment services	-	-
Vocational and day services	-	-
Licensed or certified living arrangements	-	-
Institutional, hospital, and commitment services	-	-
	-	-
Persons with mental retardation:		
Coordination services	-	-
Personal and environmental support	-	-
Vocational and day services	-	-
Licensed or certified living arrangements	-	-
Institutional, hospital, and commitment services	-	-
	-	-

Resource Enhance- ment and Protection	County Recorder's Records Management	Drainage Districts	Mental Health	Task Force	Attorney Drug Prosecution	Total
-	-	-	-	14,986	-	14,986
-	-	-	-	-	-	60,000
-	-	-	27,016	-	-	27,016
-	-	-	2,675	-	-	2,675
-	-	-	40,658	-	-	40,658
-	-	-	98,493	-	-	98,493
-	-	-	666	-	-	666
-	-	-	41,413	-	-	41,413
-	-	-	17,438	-	-	17,438
-	-	-	228,359	-	-	228,359
-	-	-	37,730	-	-	37,730
-	-	-	6,328	-	-	6,328
-	-	-	47,444	-	-	47,444
-	-	-	17,337	-	-	17,337
-	-	-	92,692	-	-	92,692
-	-	-	154,378	-	-	154,378
-	-	-	196,477	-	-	196,477
-	-	-	552,386	-	-	552,386
-	-	-	19,744	-	-	19,744
-	-	-	7,732	-	-	7,732
-	-	-	186,247	-	-	186,247
-	-	-	734,561	-	-	734,561
-	-	-	65,736	-	-	65,736
-	-	-	1,014,020	-	-	1,014,020

Boone County
Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2002

	Rural Services	Secondary Roads
Expenditures (continued):		
Operating:		
Mental Health Service Area:		
Persons with other developmental disabilities:		
General administration	-	-
Coordination services	-	-
Personal and environmental support	-	-
Vocational and day services	-	-
Licensed or certified living arrangements	-	-
	-	-
	-	-
County Environment Service Area:		
Environmental quality:		
Weed eradication	41,887	-
Solid waste disposal	41,480	-
	83,367	-
Conservation and recreation services:		
Animal control:		
Animal shelter	14,204	-
Animal bounties and State apiarist expense	163	-
	14,367	-
County development:		
Land use and building controls	85,497	-
	183,231	-
Roads and Transportation Service Area:		
Secondary roads administration and engineering:		
Administration	-	173,105
Engineering	-	192,624
	-	365,729
Roadway maintenance:		
Bridges and culverts	-	51,888
Roads	-	1,434,988
Snow and ice control	-	147,560
Traffic controls	-	39,222
Road clearing	-	239,233
	-	1,912,891
	-	-

Resource Enhance- ment and Protection	County Recorder's Records Management	Drainage Districts	Mental Health	Task Force	Attorney Drug Prosecution	Total
-	-	-	959	-	-	959
-	-	-	1,229	-	-	1,229
-	-	-	212	-	-	212
-	-	-	585	-	-	585
-	-	-	62,100	-	-	62,100
-	-	-	65,085	-	-	65,085
-	-	-	1,859,850	-	-	1,859,850
-	-	-	-	-	-	41,887
-	-	-	-	-	-	41,480
-	-	-	-	-	-	83,367
-	-	-	-	-	-	14,204
-	-	-	-	-	-	163
-	-	-	-	-	-	14,367
-	-	-	-	-	-	85,497
-	-	-	-	-	-	183,231
-	-	-	-	-	-	173,105
-	-	-	-	-	-	192,624
-	-	-	-	-	-	365,729
-	-	-	-	-	-	51,888
-	-	-	-	-	-	1,434,988
-	-	-	-	-	-	147,560
-	-	-	-	-	-	39,222
-	-	-	-	-	-	239,233
-	-	-	-	-	-	1,912,891

Boone County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2002

	Rural Services	Secondary Roads
Expenditures (continued):		
Operating:		
Roads and Transportation Service Area:		
General roadway:		
Equipment	-	812,973
Equipment operations	-	645,403
Tools, materials, and supplies	-	51,393
Real estate and buildings	-	44,179
	-	1,553,948
	-	3,832,568
State and Local Government Services Service Area:		
Representation services:		
Township officials	1,340	-
	-	-
Debt Service Service Area:		
Drainage warrants paid	-	-
	-	-
Capital Projects Service Area:		
Roadway construction	-	488,749
Drainage district construction and repair	-	-
	-	488,749
Total expenditures	244,571	4,321,317
Excess (deficiency) of revenues over (under) expenditures	1,382,237	(1,452,195)
Other financing sources (uses):		
Sale of fixed assets	-	29,480
Operating transfers in (out):		
General	-	77,517
Special Revenue:		
Rural Services	-	1,363,592
Secondary Roads	(1,363,592)	-
Total other financing sources (uses)	(1,363,592)	1,470,589
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	18,645	18,394
Fund balances beginning of year	137,910	2,342,410
Decrease in reserve for:		
Inventories	-	(5,316)
Prepaid insurance	-	(19,877)
Fund balances end of year	\$ 156,555	2,335,611

See accompanying independent auditor's report.

Resource Enhance- ment and Protection	County Recorder's Records Management	Drainage Districts	Mental Health	Task Force	Attorney Drug Prosecution	Total
-	-	-	-	-	-	812,973
-	-	-	-	-	-	645,403
-	-	-	-	-	-	51,393
-	-	-	-	-	-	44,179
-	-	-	-	-	-	1,553,948
-	-	-	-	-	-	3,832,568
-	-	-	-	-	-	1,340
-	-	55,000	-	-	-	55,000
-	-	-	-	-	-	488,749
-	-	18,862	-	-	-	18,862
-	-	18,862	-	-	-	507,611
-	-	73,862	1,859,850	14,986	-	6,514,586
6,577	8,569	(6,704)	57,503	10,700	5,677	12,364
-	-	-	-	-	-	29,480
-	-	-	-	-	-	77,517
-	-	-	-	-	-	1,363,592
-	-	-	-	-	-	(1,363,592)
-	-	-	-	-	-	106,997
6,577	8,569	(6,704)	57,503	10,700	5,677	119,361
54,893	17,537	110,183	600,657	25,833	-	3,289,423
-	-	-	-	-	-	(5,316)
-	-	-	-	-	-	(19,877)
61,470	26,106	103,479	658,160	36,533	5,677	3,383,591

Schedule 5

Boone County

Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended June 30, 2002

Revenues:			
Property and other County tax:			
Property tax	\$ 407,472		
Utility tax replacement excise tax	21,178		
Other	<u>1,115</u>	\$ 429,765	
Intergovernmental:			
State tax replacements:			
State tax credits	29,285		
Other	<u>159</u>	<u>29,444</u>	
Total revenues			<u>459,209</u>
Expenditures:			
Debt Service Service Area:			
Deferred payment contract principal	18,750		
Bond interest	267,098		
Other	<u>301</u>	<u>286,149</u>	
Excess of revenues over expenditures			173,060
Other financial sources:			
Operating transfers in:			
Capital Projects			<u>55,000</u>
Excess of revenues and other financing sources over expenditures			228,060
Fund balance beginning of year			<u>(214,738)</u>
Fund balance end of year			<u><u>\$ 13,322</u></u>

See accompanying independent auditor's report.

Boone County
Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended June 30, 2002

Revenues:	
Intergovernmental:	
State grants and reimbursements including indirect federal funding:	
Other	\$ 50,765
Contributions and reimbursements from other governmental units:	
Other	<u>29,792</u>
	80,557
Use of money and property:	
Interest on investments	<u>242,449</u>
Total revenues	<u>323,006</u>
Expenditures:	
Capital Projects Service Area:	
Jail construction	<u>3,086,622</u>
Deficiency of revenues under expenditures	<u>(2,763,616)</u>
Other financing sources (uses):	
Operating transfers in (out)	
General	50,000
Debt Service	<u>(55,000)</u>
Total other financing sources (uses)	<u>(5,000)</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses	(2,768,616)
Fund balance beginning of year	<u>4,581,298</u>
Fund balance end of year	<u>\$ 1,812,682</u>

See accompanying independent auditor's report.

Schedule 7

Boone County
Enterprise Funds
Combining Balance Sheet
June 30, 2002

	Landfill Operations	Ground Water Tax	Closure and Post Closure	Total
Assets				
Cash and pooled investments	\$ 1,082,302	194,070	885,992	2,162,364
Accounts receivable	125,727	-	-	125,727
Accrued interest	-	-	18,024	18,024
Due from other funds	143,901	14,535	-	158,436
Prepaid insurance	3,575	-	-	3,575
Property and equipment (less accumulated depreciation of \$1,303,552) (note 3)	1,678,228	-	-	1,678,228
Total assets	\$ 3,033,733	208,605	904,016	4,146,354
Liabilities and Fund Equity				
Liabilities:				
Accounts payable	\$ 44,249	7,609	-	51,858
Salaries and benefits payable	3,150	-	-	3,150
Due to other funds	18,429	-	136,336	154,765
Due to other governments	12	-	-	12
Compensated absences	11,223	-	-	11,223
Estimated liability for landfill closure and postclosure care costs (note 5)	-	-	767,680	767,680
Total liabilities	77,063	7,609	904,016	988,688
Fund equity:				
Unreserved retained earnings	2,956,670	200,996	-	3,157,666
Total liabilities and fund equity	\$ 3,033,733	208,605	904,016	4,146,354

See accompanying independent auditor's report.

Boone County

Enterprise Funds

Combining Statement of Revenues, Expenses and Changes in Retained Earning

Year ended June 30, 2002

	Landfill Operations	Ground Water Tax	Total
Operating revenues:			
Charges for service	\$ 1,203,510	-	1,203,510
Per capita fees	177,460	-	177,460
Solid waste fees	201,738	56,137	257,875
Miscellaneous	23,910	-	23,910
Total operating revenues	<u>1,606,618</u>	<u>56,137</u>	<u>1,662,755</u>
Operating expenses:			
Salaries and wages	241,194	-	241,194
Payroll taxes	30,124	-	30,124
Fringe benefits	50,659	-	50,659
Fuel	56,162	-	56,162
Mileage	3,505	-	3,505
Utilities	6,969	-	6,969
Insurance	9,267	-	9,267
Solid waste fees remitted to Iowa Department of Natural Resources	121,589	-	121,589
Education and training	67,450	-	67,450
Engineering services	29,299	-	29,299
Maintenance and repair Operations	56,876	-	56,876
Depreciation	52,283	-	52,283
Dues and membership	326,403	-	326,403
Leachate control/disposal	2,006	-	2,006
Hauling costs	10,805	-	10,805
Accounting	10,709	-	10,709
Recycling	13,400	-	13,400
Phase 4-R expansion project	-	103,577	103,577
Gravel	588,787	-	588,787
Leachate hauling and treatment	60,478	-	60,478
Miscellaneous	49,056	-	49,056
Adjustment to estimate for total landfill closure and postclosure care costs	4,660	-	4,660
Total operating expenses	<u>1,871,173</u>	<u>103,577</u>	<u>1,974,750</u>
Operating loss	(264,555)	(47,440)	(311,995)
Non-operating revenues:			
Interest on investments	23,432	-	23,432
Net loss	(241,123)	(47,440)	(288,563)
Retained earnings beginning of year	3,197,793	248,436	3,446,229
Retained earnings end of year	<u>\$ 2,956,670</u>	<u>200,996</u>	<u>3,157,666</u>

See accompanying independent auditor's report.

Boone County

Boone County
Enterprise Funds
Combining Statement of Cash Flows
June 30, 2002

	Landfill Operations	Ground Water Tax	Closure and Post Closure	Total
Cash flows from operating activities:				
Operating loss	\$ (264,555)	(47,440)	-	(311,995)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	326,403	-	-	326,403
Change in assets and liabilities:				
Decrease in accounts receivable	30,382	-	-	30,382
Decrease (increase) in due from other funds	(9,577)	3,913	-	(5,664)
Decrease in accrued interest	-	-	24,424	24,424
(Increase) in prepaid insurance	(368)	-	-	(368)
(Decrease) increase in accounts payable	(105,563)	4,265	-	(101,298)
Increase in salaries and benefits payable	85	-	-	85
(Decrease) in due to other governments	(27,660)	-	-	(27,660)
(Decrease) increase in due to other funds	(282)	-	33,557	33,275
Increase in compensated absences	7,849	-	-	7,849
Increase in estimated liability for landfill closure and post closure care costs	-	-	116,500	116,500
Net cash provided (used) by operating activities	(43,286)	(39,262)	174,481	91,933
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(31,678)	-	-	(31,678)
Cash flows from investing activities:				
Interest on investments	23,432	-	-	23,432
Net increase (decrease) in cash and cash equivalents	(51,532)	(39,262)	174,481	83,687
Cash and cash equivalents at beginning of year	1,133,834	233,332	711,511	2,078,677
Cash and cash equivalents at end of year	\$ 1,082,302	194,070	885,992	2,162,364

See accompanying independent auditor's report.

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

	Conservation Land Acquisition Trust	County Offices		
		County Auditor	County Recorder	County Sheriff
Assets				
Cash and pooled investments:				
County Treasurer	\$ 49,596	-	-	-
Other County officials	-	1,000	63,567	36,216
Receivables:				
Property tax:				
Delinquent	-	-	-	-
Succeeding year	-	-	-	-
Accounts	-	-	2,438	-
Special assessments	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Total assets	\$ 49,596	1,000	66,005	36,216
Liabilities and Fund Equity				
Liabilities:				
Accounts payable	\$ -	-	-	-
Salaries payable	-	-	-	-
Due to other funds	-	-	55,678	31,045
Due to other governments	-	-	10,327	5,171
Trusts payable	-	1,000	-	-
Compensated absences	-	-	-	-
Total liabilities	-	1,000	66,005	36,216
Fund equity:				
Unreserved fund balance	49,596	-	-	-
Total liabilities and fund equity	\$ 49,596	1,000	66,005	36,216

Agency Funds							
Agricultural Extension Education	County Assessor	Schools	Community Colleges	Corpor- ations	Townships	Auto License and Use Tax	
1,689	171,733	190,274	6,844	75,200	3,525	472,017	
-	-	-	-	-	-	-	-
158	434	18,851	674	11,755	178	-	-
110,000	299,000	12,671,000	465,000	5,046,000	240,000	-	-
-	1,149	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
111,847	472,316	12,880,125	472,518	5,132,955	243,703	472,017	
-	9,669	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	77	-	-	-	-	14,162	-
111,847	442,996	12,880,125	472,518	5,132,955	243,703	457,855	
-	-	-	-	-	-	-	-
-	19,574	-	-	-	-	-	-
111,847	472,316	12,880,125	472,518	5,132,955	243,703	472,017	
-	-	-	-	-	-	-	-
111,847	472,316	12,880,125	472,518	5,132,955	243,703	472,017	

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

	Brucellosis and Tuberculosis Eradication	Empower- ment	Drainage Districts	Emergency Management Services
Assets				
Cash and pooled investments:				
County Treasurer	63	75,605	204	53,571
Other County officials	-	-	-	-
Receivables:				
Property tax:				
Delinquent	2	-	-	-
Succeeding year	3,000	-	-	-
Accounts	-	-	-	-
Special assessments	-	-	-	-
Due from other funds	-	863	-	364
Due from other governments	-	34,365	-	2,842
Total assets	3,065	110,833	204	56,777
Liabilities and Fund Equity				
Liabilities:				
Accounts payable	-	64,623	-	334
Salaries payable	-	766	-	-
Due to other funds	-	-	-	72
Due to other governments	3,065	44,761	204	56,371
Trusts payable	-	-	-	-
Compensated absences	-	683	-	-
Total liabilities	3,065	110,833	204	56,777
Fund equity:				
Unreserved fund balance	-	-	-	-
Total liabilities and fund equity	3,065	110,833	204	56,777

See accompanying independent auditor's report.

Agency Funds							
Health Insurance Premium	Special Assessments	County Hospital	Tax Sale Redemption	E911 Service Commission	E911 Operating	Individual Services DHS	Total
145,284	7,679	11,616	11,546	100,490	154,064	968	1,531,968
-	-	-	-	-	-	-	100,783
-	-	1,144	-	-	-	-	33,196
-	-	785,000	-	-	-	-	19,619,000
-	-	-	-	37,440	-	-	41,027
-	61,453	-	-	-	-	-	61,453
-	-	-	-	-	672	-	1,899
-	-	-	-	-	-	-	37,207
145,284	69,132	797,760	11,546	137,930	154,736	968	21,426,533
-	-	-	-	10,309	-	449	85,384
-	-	-	-	-	-	-	766
-	-	-	-	-	-	-	101,034
-	69,132	797,760	11,546	127,621	-	519	20,868,476
145,284	-	-	-	-	154,736	-	301,020
-	-	-	-	-	-	-	20,257
145,284	69,132	797,760	11,546	137,930	154,736	968	21,376,937
-	-	-	-	-	-	-	49,596
145,284	69,132	797,760	11,546	137,930	154,736	968	21,426,533

Boone County

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 2002

	County Offices			Agricultural
	County Auditor	County Recorder	County Sheriff	Extension Education
Assets and Liabilities				
Balance beginning of year	\$ 1,000	65,606	32,477	114,035
Additions:				
Property and other County tax	-	-	-	110,460
E911 surcharge	-	-	-	-
State tax credits	-	-	-	7,757
Drivers license fees	-	-	-	-
Office fees and collections	-	347,120	397,424	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	-	-	-	-
Miscellaneous	-	-	-	43
Total additions	-	347,120	397,424	118,260
Deductions:				
Agency Remittances:				
To other funds	-	211,854	122,744	-
To other governments	-	134,867	361	120,448
Trusts paid out	-	-	270,580	-
Total deductions	-	346,721	393,685	120,448
Balance end of year	\$ 1,000	66,005	36,216	111,847

County Assessor	Schools	Community Colleges	Corporations	Townships	Auto License and Use Tax	Unapportioned Tax	Brucellosis and Tuberculosis Eradication
517,580	12,675,168	462,094	4,752,337	246,993	456,434	302	4,074
		-					
300,074	12,688,533	466,836	5,054,121	243,181	-	-	3,174
-	-	-	-	-	-	-	-
20,629	865,040	31,441	333,255	15,668	-	-	288
-	-	-	-	-	47,669	-	-
-	-	-	-	-	5,520,540	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
8,620	4,562	173	-	82	-	2,209	2
329,323	13,558,135	498,450	5,387,376	258,931	5,568,209	2,209	3,464
-	-	-	-	-	186,535	-	-
374,587	13,353,178	488,026	5,006,758	262,221	5,366,091	2,511	4,473
-	-	-	-	-	-	-	-
374,587	13,353,178	488,026	5,006,758	262,221	5,552,626	2,511	4,473
472,316	12,880,125	472,518	5,132,955	243,703	472,017	-	3,065

Boone County

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 2002

	<u>Empower- ment</u>	<u>Drainage Districts</u>	<u>Emergency Management Services</u>	<u>Health Insurance Premium</u>
Assets and Liabilities				
Balance beginning of year	<u>158,114</u>	<u>204</u>	<u>47,136</u>	<u>78,751</u>
Additions:				
Property and other County tax	-	-	-	-
E911 surcharge	-	-	-	-
State tax credits	-	-	-	-
Drivers license fees	-	-	-	-
Office fees and collections	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	268,315	-	-	-
Miscellaneous	<u>2,207</u>	-	<u>76,524</u>	<u>801,098</u>
Total additions	<u>270,522</u>	<u>-</u>	<u>76,524</u>	<u>801,098</u>
Deductions:				
Agency Remittances:				
To other funds	-	-	-	-
To other governments	-	-	66,883	-
Trusts paid out	<u>317,803</u>	-	-	<u>734,565</u>
Total deductions	<u>317,803</u>	<u>-</u>	<u>66,883</u>	<u>734,565</u>
Balance end of year	<u>110,833</u>	<u>204</u>	<u>56,777</u>	<u>145,284</u>

See accompanying independent auditor's report.

Special Assessments	County Hospital	Tax Sale Redemption	E911 Service Commission	E911 Operating	Individual Services DHS	Local Forfeiture	Refunds	Anatomical Gift Donations	Total
100,743	784,731	14,853	143,872	108,145	-	-	-	-	20,764,649
-	787,402	-	-	-	-	-	-	-	19,653,781
-	-	-	114,184	-	-	-	-	-	114,184
-	53,344	-	-	-	-	-	-	-	1,327,422
-	-	-	-	-	-	-	-	-	47,669
-	-	-	-	-	-	-	-	-	744,544
-	-	-	-	-	-	-	-	-	5,520,540
24,148	-	-	-	-	-	-	-	-	24,148
-	-	-	-	-	10,000	-	75	-	278,390
-	293	211,198	57,708	49,983	-	33,703	-	341	1,248,746
24,148	841,039	211,198	171,892	49,983	10,000	33,703	75	341	28,959,424
-	-	-	-	-	-	24,797	-	-	545,930
55,759	828,010	214,505	-	-	-	8,906	-	341	26,287,925
-	-	-	177,834	3,392	9,032	-	75	-	1,513,281
55,759	828,010	214,505	177,834	3,392	9,032	33,703	75	341	28,347,136
69,132	797,760	11,546	137,930	154,736	968	-	-	-	21,376,937

Schedule 12

Boone County

Comparison of Taxes and Intergovernmental Revenues

	Years ended June 30,			
	2002	2001	2000	1999
Taxes:				
Property tax	\$ 4,650,981	3,928,646	3,604,740	3,552,592
Local option sales tax	599,343	618,060	648,813	528,930
Utility tax replacement excise tax	242,397	210,581	-	-
Other	12,205	10,745	10,423	7,039
	<u>5,504,926</u>	<u>4,768,032</u>	<u>4,263,976</u>	<u>4,088,561</u>
Intergovernmental:				
State shared revenues:				
Road use tax	2,734,767	2,622,521	2,660,659	1,953,552
Other	22,723	15,181	20,695	20,532
State grants and reimbursements including indirect federal funding:				
Highway research, planning, and construction grant	-	-	229,271	-
Social services block grant	90,761	90,635	92,460	93,532
Other	350,109	336,878	596,273	527,366
State tax replacements:				
State tax credits	332,413	313,548	281,495	266,264
State allocation	295,106	311,454	294,970	294,786
Mental health property tax relief	733,008	733,009	733,009	842,808
Other	67,519	269,713	-	-
Direct federal grants and entitlements	13,351	-	-	-
Contributions and reimbursements from other governmental units	192,150	179,371	117,317	114,015
Payments in lieu of taxes	8,245	10,341	10,549	9,585
	<u>4,840,152</u>	<u>4,882,651</u>	<u>5,036,698</u>	<u>4,122,440</u>
Total	<u>\$ 10,345,078</u>	<u>9,650,683</u>	<u>9,300,674</u>	<u>8,211,001</u>

See accompanying independent auditor's report.



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

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

To the Officials of Boone County:

We have audited the general purpose financial statements of Boone County, Iowa, as of and for the year ended June 30, 2002, and have issued our report thereon dated November 14, 2002. We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2002 are based exclusively on knowledge obtained from procedures performed during our audit of the general purpose financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes. Prior year statutory comments have been resolved.

Internal Control Over Financial Reporting

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

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

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Boone County and other parties to whom Boone 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 Boone 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.

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

November 14, 2002

Boone County
Schedule of Findings
Year ended June 30, 2002

Findings Related to the General Purpose Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

REPORTABLE CONDITIONS:

- (A) County Recorder - Book balances are not reconciled to the bank balance monthly.

Recommendation - Book balances should be reconciled to the bank balance monthly.

Response - We will implement new procedures to try to reconcile the monthly receipts with the monthly disbursements which should balance out at the end of each month. We will use the monthly bank statements as the starting figures as suggested.

Conclusion - Response accepted.

- (B) Information Systems - The County does not have a written disaster recovery plan and does not require backup tapes to be stored off site daily.

Recommendation - A written disaster recovery plan should be developed and backup tapes should be stored off site daily.

Response - County will develop a written disaster recovery plan which will include a plan for storage off site of the daily backups.

Conclusion - Response accepted.

Boone County
Schedule of Findings
Year ended June 30, 2002

Other Findings Related to Required Statutory Reporting:

- (1) 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 ended June 30, 2002, except as follows:

<u>Office</u>	<u>Depository</u>	<u>Maximum Deposit Amounts</u>
County Recorder	Boone Bank and Trust	\$ 75,000

Recommendation - A new resolution in amounts sufficient to cover anticipated balances at all approved depositories should be adopted by the Board.

Response - Board of Supervisors will consult the County Recorder and amend the depository resolution to an appropriate level.

Conclusion - Response accepted.

- (2) Certified Budget - Disbursements at June 30, 2002 did not exceed the amount budgeted. However, although the Board of Supervisors acted to increase the budget in the Debt Service Service Area by amendment, disbursements had exceeded the budget before the amendment was approved.

Disbursements in certain departments did not exceed the amounts appropriated at June 30, 2002. However, although the Board of Supervisors acted to increase the appropriations in certain departments, the disbursements had exceeded the appropriations before the Supervisors increased the appropriations.

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

Chapter 331.434(6) of the Code of Iowa authorizes the Board of Supervisors, by resolution, to increase or decrease appropriations of one office or department by increasing or decreasing the appropriation of another office or department as long as the service area budget is not increased. Such increases or decreases should be made before disbursements are allowed to exceed the appropriations.

Response - Recommendation is duly noted. Board of Supervisors will adjust departmental appropriations before exceeding appropriations and attempt to do timely budget amendments.

Conclusion - Response accepted.

- (3) Questionable Expenditures - No expenditures that we believe may not meet the requirements of public purpose as defined in the Attorney General's opinion dated April 25, 1979 were noted.

Boone County
Schedule of Findings
Year ended June 30, 2002

- (4) Travel Expense - No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- (5) Business Transactions - No business transactions between the County and County officials or employees were noted.
- (6) Bond Coverage - Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of surety bond coverage should be reviewed annually to insure that the coverage is adequate for current operations.
- (7) Board Minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.
- (8) Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the County's investment policy were noted.
- (9) Resource Enhancement and Protection Certification - The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- (10) Solid Waste Fees Retainage - During the year ended June 30, 2002, the County used or retained the solid waste fees in accordance with Chapter 455B.310(2) of the Code of Iowa.
- (11) Financial Assurance - The Boone County Landfill has demonstrated financial assurance for closure and postclosure care costs by establishing a local government dedicated fund as provided in Chapter 111.6(8) of the Iowa Administrative Code. The calculation is made as follows:

Total estimated costs for closure and postclosure care	\$ 1,919,200
Less: Balance of funds held in the local dedicated fund at June 30, 2001	<u>(753,959)</u>
	1,165,241
Divided by the number of years remaining in the pay-in period	÷ <u>6</u>
Required payment into the local dedicated fund for the year ended June 30, 2002	\$ 194,207
Balance of funds held in the local dedicated fund at June 30, 2001	<u>753,959</u>
Required balance of funds held in the local dedicated fund at June 30, 2002	<u>\$ 948,166</u>
Amount County has restricted and reserved for closure and postclosure care at June 30, 2002	<u>\$ 904,016</u>

Boone County

Schedule of Findings

Year ended June 30, 2002

Recommendation - The Boone County Landfill should demonstrate financial assurance by designating amounts sufficient to comply with the Iowa Administrative Code requirements.

Response - Revised Administrative rules will be complied with. The County will make an additional deposit of \$81,099.14 in November of 2002 and will revise payments in future years.

Conclusion - Response accepted.

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

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

Boone County

Staff

This audit was performed by:

**K. David Voy, CPA, Manager
Richard C. Brown, CGFM, Senior Auditor
Julie J. Lyon, CPA Staff Auditor
Sarah M. Wright, Staff Auditor
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