



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

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**NEWS RELEASE**

FOR RELEASE March 10, 2003

Contact: Andy Nielsen  
515/281-5515

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

The County had local tax revenue of \$15,104,373 for the year ended June 30, 2002, which included \$1,282,799 in tax credits from the state. The County forwarded \$10,914,737 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$4,189,636 of the local tax revenue to finance County operations, a 1 percent increase from the prior year. Other revenues included \$3,447,499 from state revenues, including indirect federal funding and \$72,592 in interest on investments.

Expenditures for County operations totaled \$9,312,974, a 19 percent increase from the prior year. Expenditures included \$3,934,224 for roads and transportation, \$1,204,554 for mental health and \$985,066 for interprogram services. The significant increase in expenditures resulted from increased roadway maintenance and construction and equipment and land purchases.

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

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

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

## Table of Contents

		<u>Page</u>
Officials		3
Independent Auditor’s Report		5
General Purpose Financial Statements:	<u>Exhibit</u>	
Combined Balance Sheet – All Fund Types and Account Groups	A	8-11
Combined Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) – All Governmental Fund Types and Expendable Trust Fund	B	12-15
Comparison of Receipts, Disbursements and Changes in Balances – Actual to Budget (Cash Basis) – All Governmental Fund Types and Expendable Trust Fund	C	16-17
Notes to Financial Statements		18-30
Supplemental Information:	<u>Schedule</u>	
General Fund:		
Statement of Revenues, Expenditures and Changes in Fund Balance	1	33-34
Statement of Expenditures	2	35-37
Special Revenue Funds:		
Combining Balance Sheet	3	38-39
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	4	40-47
Capital Projects Fund:		
Statement of Revenues, Expenditures and Changes in Fund Balance	5	49
Trust and Agency Funds:		
Combining Balance Sheet	6	50
Statement of Revenues, Expenditures and Changes in Fund Balance – Expendable Trust Fund	7	51
Combining Balance Sheet – Agency Funds	8	52-55
Combining Statement of Changes in Assets and Liabilities – Agency Funds	9	56-59
Comparison of Taxes and Intergovernmental Revenues	10	60
Schedule of Expenditures of Federal Awards	11	61
Independent Auditor’s Report on Compliance and on Internal Control over Financial Reporting		63-64
Independent Auditor’s Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance		65-66
Schedule of Findings and Questioned Costs		67-73
Staff		74

**Greene County**

**Officials**

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

**Greene County**



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Independent Auditor's Report

To the Officials of Greene County:

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

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

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

In accordance with Government Auditing Standards, we have also issued our reports dated January 9, 2003 on our consideration of Greene County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the general purpose financial statements for the three years ended June 30, 2001 (none of which are presented herein) and expressed unqualified opinions on those financial statements. The supplemental information included in Schedules 1 through 9, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in our audit of the aforementioned financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

January 9, 2003

**Greene County**



## **Financial Statements**

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

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
<b>Assets and Other Debits</b>			
Cash and pooled investments:			
County Treasurer	\$ 1,281,864	956,743	1
Raccoon River Valley Trail Foundation	-	2,738	-
Other County officials	-	-	-
Receivables:			
Property tax:			
Delinquent	910	445	-
Succeeding year	2,160,000	1,775,000	-
Interest and penalty on property tax	1,652	-	-
Accounts	40,484	-	2,000
Accrued interest	4,157	-	-
Drainage assessments	-	433,593	-
Due from other funds (note 7)	22,788	2,790	-
Due from other governments	22,856	476,401	-
Inventories	-	703,431	-
Property and equipment (note 3)	-	-	-
Amount available for drainage warrants/drainage improvement certificates	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-
Amount to be provided for retirement of drainage warrants/drainage improvement certificates	-	-	-
<b>Total assets and other debits</b>	<b>\$ 3,534,711</b>	<b>4,351,141</b>	<b>2,001</b>

Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-Term Debt	
Trust and Agency			
736,411	-	-	2,975,019
-	-	-	2,738
22,854	-	-	22,854
5,357	-	-	6,712
9,933,000	-	-	13,868,000
-	-	-	1,652
17	-	-	42,501
-	-	-	4,157
-	-	-	433,593
-	-	-	25,578
-	-	-	499,257
-	-	-	703,431
-	9,622,983	-	9,622,983
-	-	28,356	28,356
-	-	813,264	813,264
-	-	422,988	422,988
10,697,639	9,622,983	1,264,608	29,473,083

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

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
<b>Liabilities, Fund Equity and Other Credits</b>			
Liabilities:			
Accounts payable	\$ 89,423	351,126	-
Salaries and benefits payable	55,226	48,834	-
Due to other funds (note 7)	2,574	-	-
Due to other governments (note 8)	18,035	85,939	-
Trusts payable	-	-	-
Deferred revenue:			
Succeeding year property tax	2,160,000	1,775,000	-
Other	2,562	434,038	-
Capital lease purchase agreement (note 5)	-	-	-
Real estate contract payable (note 5)	-	-	-
Drainage warrants/drainage improvement certificates payable (note 10)	-	-	-
Loan payable (note 12)	-	-	-
Compensated absences	10,855	15,222	-
<b>Total liabilities</b>	<b>2,338,675</b>	<b>2,710,159</b>	<b>-</b>
Fund equity and other credits:			
Investment in general fixed assets	-	-	-
Fund balances:			
Reserved for:			
Capital improvement projects	300,000	-	-
Drainage district warrants	-	28,356	-
Supplemental levy purposes	208,207	-	-
Resource enhancement	6,411	-	-
Inventories	-	703,431	-
Unreserved	681,418	909,195	2,001
<b>Total fund equity and other credits</b>	<b>1,196,036</b>	<b>1,640,982</b>	<b>2,001</b>
<b>Total liabilities, fund equity and other credits</b>	<b>\$ 3,534,711</b>	<b>4,351,141</b>	<b>2,001</b>

See notes to financial statements.

Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-Term Debt	
8,201	-	-	448,750
4,672	-	-	108,732
23,004	-	-	25,578
10,664,265	-	-	10,768,239
5,211	-	-	5,211
-	-	-	3,935,000
-	-	-	436,600
-	-	582,948	582,948
-	-	105,762	105,762
-	-	451,344	451,344
7,000	-	-	7,000
487	-	124,554	151,118
<u>10,712,840</u>	-	<u>1,264,608</u>	<u>17,026,282</u>
-	9,622,983	-	9,622,983
-	-	-	300,000
-	-	-	28,356
-	-	-	208,207
-	-	-	6,411
-	-	-	703,431
(13,299)	-	-	1,579,315
<u>(13,299)</u>	<u>9,622,983</u>	-	<u>12,448,703</u>
<u>10,699,541</u>	<u>9,622,983</u>	<u>1,264,608</u>	<u>29,474,985</u>

Greene County

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

Year ended June 30, 2002

	Governmental Fund	
	General	Special Revenue
<b>Revenues:</b>		
Property and other County tax	\$ 2,129,692	1,789,983
Interest and penalty on property tax	22,838	-
Intergovernmental	499,908	3,309,765
Licenses and permits	2,417	305
Charges for service	265,768	11,709
Use of money and property	101,830	151
Fines, forfeitures and defaults	-	4,475
Miscellaneous	9,652	517,921
Total revenues	3,032,105	5,634,309
<b>Expenditures:</b>		
<b>Operating:</b>		
Public safety	851,181	7,986
Court services	146,828	-
Physical health and education	57,086	70,793
Mental health	-	1,204,554
Social services	146,692	-
County environment	360,172	154,876
Roads and transportation	-	3,934,224
State and local government services	213,612	2,690
Interprogram services	984,063	1,003
Non-program	6,361	81,718
Debt service	-	343,390
Capital projects	-	704,011
Total expenditures	2,765,995	6,505,245
<b>Excess (deficiency) of revenues over (under) expenditures</b>	266,110	(870,936)

<u>Types</u>	<u>Fiduciary Fund Type</u>	<u>Total</u>
<u>Capital Projects</u>	<u>Expendable Trust</u>	<u>(Memorandum Only)</u>
-	-	3,919,675
-	-	22,838
-	-	3,809,673
-	-	2,722
-	-	277,477
-	-	101,981
-	-	4,475
320	3,357	531,250
<b>320</b>	<b>3,357</b>	<b>8,670,091</b>
-	-	859,167
-	-	146,828
-	-	127,879
-	-	1,204,554
-	-	146,692
-	-	515,048
-	-	3,934,224
-	-	216,302
-	-	985,066
-	-	88,079
536	460	344,386
2,052	38,686	744,749
<b>2,588</b>	<b>39,146</b>	<b>9,312,974</b>
<b>(2,268)</b>	<b>(35,789)</b>	<b>(642,883)</b>

Greene County

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

Year ended June 30, 2002

	Governmental Fund	
	General	Special Revenue
Other financing sources (uses):		
Sale of general fixed assets	-	-
Capital lease purchase agreement	-	582,948
Real estate contract payable	-	105,762
Operating transfers in	-	1,000,000
Operating transfers out	(51,486)	(980,000)
Proceeds from drainage warrants/drainage improvement certificates	-	81,718
Total other financing sources (uses)	(51,486)	790,428
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	214,624	(80,508)
Fund balances beginning of year	981,412	1,638,181
Increase in reserve for inventories	-	83,309
Fund balances end of year	\$ 1,196,036	1,640,982

See notes to financial statements.



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<u>Types</u>	<u>Fiduciary Fund Type</u>	<u>Total</u>
<u>Capital Projects</u>	<u>Expendable Trust</u>	<u>(Memorandum Only)</u>
-	23,325	23,325
-	-	582,948
-	-	105,762
12,986	18,500	1,031,486
-	-	(1,031,486)
-	-	81,718
12,986	-	793,753
10,718	6,036	150,870
(8,717)	(19,335)	2,591,541
-	-	83,309
2,001	(13,299)	2,825,720

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Greene County

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

Year ended June 30, 2002

	Actual	Less Funds not Required to be Budgeted
<b>Receipts:</b>		
Property and other County tax	\$ 3,941,280	-
Intergovernmental	3,725,841	-
Licenses and permits	2,547	-
Charges for service	277,893	-
Use of money and property	103,129	-
Fines, forfeitures and defaults	3,765	-
Miscellaneous	527,203	361,396
Total receipts	8,581,658	361,396
<b>Disbursements:</b>		
Public safety	851,108	-
Court services	136,308	-
Physical health and education	127,802	-
Mental health	1,234,184	-
Social services	146,081	-
County environment	500,282	-
Roads and transportation	3,009,991	-
State and local government services	210,097	-
Interprogram services	975,385	-
Non-program	6,362	-
Debt service	34,429	34,429
Capital projects	956,243	82,361
Total disbursements	8,188,272	116,790
Excess of receipts over disbursements	393,386	244,606
Other financing uses, net	(166,934)	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	226,452	244,606
Balance beginning of year	2,016,796	94,249
Balance end of year	\$ 2,243,248	338,855

See notes to financial statements.

Net	Amended Budget	Variance - Favorable (Unfavorable)	Net as % of Amended Budget
3,941,280	3,948,029	(6,749)	100%
3,725,841	4,431,358	(705,517)	84%
2,547	2,150	397	118%
277,893	258,770	19,123	107%
103,129	127,886	(24,757)	81%
3,765	2,399	1,366	157%
165,807	427,883	(262,076)	39%
<u>8,220,262</u>	<u>9,198,475</u>	<u>(978,213)</u>	<u>89%</u>
851,108	899,452	48,344	95%
136,308	169,490	33,182	80%
127,802	128,393	591	100%
1,234,184	1,266,300	32,116	97%
146,081	256,557	110,476	57%
500,282	541,365	41,083	92%
3,009,991	3,019,200	9,209	100%
210,097	246,623	36,526	85%
975,385	1,021,334	45,949	96%
6,362	30,000	23,638	21%
-	-	-	
873,882	1,210,000	336,118	72%
<u>8,071,482</u>	<u>8,788,714</u>	<u>717,232</u>	<u>92%</u>
148,780	409,761		
(166,934)	-		
(18,154)	409,761		
<u>1,922,547</u>	<u>1,727,369</u>		
<u>1,904,393</u>	<u>2,137,130</u>		

Greene County

Notes to Financial Statements

June 30, 2002

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

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

**A. Reporting Entity**

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

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

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

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

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

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

Governmental Funds

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

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

Fiduciary Funds

Trust Funds – The Trust Funds are used to account for assets held by the County in a trustee capacity. These include 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.

D. Basis of Accounting

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

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

Property 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.

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

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

E. Assets, Liabilities and Fund Equity

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

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

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 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.

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

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

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

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

General Fixed Assets - General fixed assets are recorded as expenditures in the Governmental Funds and are capitalized (recorded and accounted for) in the General Fixed Assets Account Group. Assets in this account group are recorded at historical cost. 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 asset such as roads, bridges, curbs, gutters, streets, sidewalks and similar assets that are immovable and of value only to the government.

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

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

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

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

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. For the Agency Funds, these accumulations are recorded as liabilities in the year earned. In the Governmental Funds, the cost of vacation payments expected to be liquidated currently are recorded as liabilities of the Governmental Fund. A liability has been recorded in the General Long-Term Debt Account Group representing the County's commitment to fund non-current compensated absences. The compensated absences liability has been computed based on rates of pay in effect at June 30, 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, drainage districts and agency funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon 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, capital projects fund 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 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	\$ 3,001,658	30,447	3,032,105	5,517,416	116,893	5,634,309
Expenditures	2,707,887	58,108	2,765,995	5,316,417	1,188,828	6,505,245
Net	293,771	(27,661)	266,110	200,999	(1,071,935)	(870,936)
Other financing sources (uses)	(51,486)	-	(51,486)	(207,259)	997,687	790,428
Beginning fund balances	1,039,579	(58,167)	981,412	965,741	672,440	1,638,181
Increase in reserve for inventories	-	-	-	-	83,309	83,309
Ending fund balances	\$ 1,281,864	(85,828)	1,196,036	959,481	681,501	1,640,982
	<b>Governmental Fund Types</b>					
	<b>Capital Projects</b>					
	Cash Basis	Accrual Adjustments	Modified Accrual Basis			
Revenues	\$ 59,227	(58,907)	320			
Expenditures	83,679	(81,091)	2,588			
Net	(24,452)	22,184	(2,268)			
Other financing sources (uses)	12,986	-	12,986			
Beginning fund balances	11,467	(20,184)	(8,717)			
Increase in reserve for inventories	-	-	-			
Ending fund balances	\$ 1	2,000	2,001			
	<b>Fiduciary Fund Type</b>					
	Expendable Trust			Total		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 3,357	-	3,357	8,581,658	88,433	8,670,091
Expenditures	80,289	(41,143)	39,146	8,188,272	1,124,702	9,312,974
Net	(76,932)	41,143	(35,789)	393,386	(1,036,269)	(642,883)
Other financing sources (uses)	78,825	(37,000)	41,825	(166,934)	960,687	793,753
Beginning fund balances	9	(19,344)	(19,335)	2,016,796	574,745	2,591,541
Increase in reserve for inventories	-	-	-	-	83,309	83,309
Ending fund balances	\$ 1,902	(15,201)	(13,299)	2,243,248	582,472	2,825,720

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 does not present financial position or results of operations in conformity with U.S. generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**(2) Cash and Pooled Investments**

The County's deposits at June 30, 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 for U.S. Government securities are classified as 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.

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

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

Type	Fair Value
U.S. Government securities: FNMA interest only strip	<u>\$ 1,058</u>

In addition, the County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$ 535,747 pursuant to Rule 2a-7 under the Investment Company Act of 1940 and are not subject to risk categorization.

**(3) Property and Equipment**

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

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Land	\$ 917,708	168,043	37,111	1,048,640
Buildings	2,115,578	61,832	-	2,177,410
Equipment	6,055,445	1,120,133	778,645	6,396,933
Total	\$ 9,088,731	1,350,008	815,756	9,622,983

Equipment includes \$622,948 of assets acquired under capital leases.

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

General Obligation Refunding Bonds

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

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

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

Details of this general obligation refunding bond indebtedness at June 30, 2002 are as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2003	4.20%	\$ 165,000	81,460	246,460
2004	4.25	175,000	74,530	249,530
2005	4.30	180,000	67,092	247,092
2006	4.40	190,000	59,353	249,353
2007	4.50	195,000	50,992	245,992
2008	4.60	210,000	42,218	252,218
2009	4.65	220,000	32,557	252,557
2010	4.75	225,000	22,328	247,328
2011	4.85	240,000	11,640	251,640
Total		\$ 1,800,000	442,170	2,242,170

Revenue Notes

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

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

During the year ended June 30, 2002, the Greene County Medical Center retired \$63,198 of revenue notes, leaving an outstanding balance of \$248,417 at June 30, 2002.

**(5) Changes in Long-Term Debt**

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

	Capital Lease Purchase Agreement	Real Estate Contract Payable	Drainage Warrants and Improvement Certificates	Compensated Absences	Total
Balance beginning of year	\$ -	-	678,587	104,326	782,913
Additions	582,948	105,762	81,718	20,228	790,656
Reductions	-	-	308,961	-	308,961
Balance end of year	\$ 582,948	105,762	451,344	124,554	1,264,608

Capital Lease Purchase Agreement

The County has entered into a capital lease purchase agreement to lease 3 motor graders. The following is a schedule of the future minimum lease payments, including interest of 5.25% per annum, and the present value of net minimum lease payments under the agreement in effect at June 30, 2002.

Year ending June 30	Motor Graders
2003	\$214,567
2004	214,567
2005	214,567
Total minimum lease payments	643,701
Less amount representing interest	(60,753)
Present value of net minimum lease payments	<u>\$582,948</u>

Real Estate Contract Payable

The County has entered into a real estate contract to purchase land. The following is a schedule of the future principal and interest, at 7% per annum, payments due at June 30, 2002.

Year ending June 30	Principal	Interest	Total
2003	\$ 52,881	5,821	58,702
2004	52,881	3,702	56,583
Total	\$ 105,762	9,523	115,285

**(6) Pension and Retirement Benefits**

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

Plan members are required to contribute 3.70% of their annual covered salary and the County is required to contribute 5.75% of annual covered payroll except for law enforcement employees, in which case the percentages are 5.50% 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 \$133,365, \$130,774, and \$127,931, respectively, equal to the required contributions for each year.

**(7) Due from and Due to Other Funds**

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

Receivable Fund	Payable Fund	Amount
General	Trust and Agency:	
	County Recorder	\$ 4,623
	County Sheriff	11,725
	Auto License and Use Tax	6,440
Special Revenue:		
Forfeiture	General	2,574
County Recorder's	Trust and Agency:	
Records Management	County Recorder	216
Total		\$ 25,578

**(8) Due to Other Governments**

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

Fund	Description	Amount
General	Services	\$ 18,035
Special Revenue:		
Secondary Roads	Services	1,508
Mental Health	Services	84,431
		<u>85,939</u>
Trust and Agency:		
Agricultural Extension Education	Collections	139,708
County Assessor		371,745
Schools		6,477,743
Community Colleges		294,407
Corporations		1,851,467
Townships		163,274
Auto License and Use Tax		173,510
County Hospital		1,040,527
E911		127,691
All other		24,193
		<u>10,664,265</u>
Total		<u>\$ 10,768,239</u>

**(9) Risk Management**

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

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

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

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's annual contributions to the Pool for the year ended June 30, 2002 were \$91,421.

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

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 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. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

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

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

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

**(11) Deficit Fund Balance**

The Expendable Trust, Conservation Land Acquisition Trust Fund had a deficit fund balance of \$13,299 at June 30, 2002. The County will make a transfer from the General Fund sufficient to cover the deficit fund balance.

**(12) Loan Payable**

On May 21, 2001, the County authorized the issuance of a Spring Lake Camping Fee Revenue Note for \$150,000 with interest at 5.25% per annum to complete the septic system at Spring Lake. The County will draw down the note as needed. At June 30, 2002, the loan balance was \$7,000. Due to its short-term nature, the loan has been recorded as a liability of the Expendable Trust, Conservation Land Acquisition Trust Fund.



## **Supplemental Information**

**Greene County**

## Greene 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	\$ 2,057,150	
Utility tax replacement excise tax	71,701	
Other	<u>841</u>	\$ 2,129,692

Interest and penalty on property tax		22,838
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## Intergovernmental:

## State shared revenues:

Franchise tax	<u>10,943</u>	
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## State grants and reimbursements including indirect federal funding:

Resource enhancement and protection program	6,368	
Human services administration reimbursement	14,253	
Affordable housing program	96,193	
Other	<u>17,153</u>	
	<u>133,967</u>	

## State tax replacements:

State tax credits	150,954	
State allocation	<u>123,011</u>	
	<u>273,965</u>	

## Contributions and reimbursements from other governmental units:

Contract law enforcement	47,220	
Prisoner care	11,546	
Other	<u>22,267</u>	
	<u>81,033</u>	499,908

Licenses and permits		2,417
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## Charges for service:

Office fees and collections	58,570	
Auto license, use tax and postage	71,374	
Recreation fees	61,207	
Other	<u>74,617</u>	265,768

**Schedule 1**

## Greene 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	72,441	
Net decrease in the fair value of investments	(348)	
Other	<u>29,737</u>	101,830

## Miscellaneous

9,652

## Total revenues

3,032,105

## Expenditures:

## Operating:

Public safety		851,181
Court services		146,828
Physical health and education		57,086
Social services		146,692
County environment		360,172
State and local government services		213,612
Interprogram services		984,063
Non-program		<u>6,361</u>
Total expenditures		<u><u>2,765,995</u></u>

## Excess of revenues over expenditures

266,110

## Other financing uses:

## Operating transfers out:

## Special Revenue:

Secondary Roads	(20,000)	
Capital Projects	(12,986)	
Expendable Trust:		
Conservation Land Acquisition Trust	<u>(18,500)</u>	<u>(51,486)</u>

## Excess of revenues over expenditures and other financing uses

214,624

## Fund balance beginning of year

981,412

## Fund balance end of year

\$ 1,196,036

See accompanying independent auditor's report.

## Greene County

## General Fund

## Statement of Expenditures

Year ended June 30, 2002

## Public Safety Service Area:

## Law enforcement:

Uniformed patrol services	\$ 125,127	
Investigations	6,966	
Unified law enforcement	33,673	
Law enforcement communication	106,639	
Adult correction services	19,238	
Administration	388,967	
	<u>680,610</u>	

## Legal services:

Criminal prosecution	95,694	
Medical examinations	12,699	
	<u>108,393</u>	

## Emergency services:

Ambulance services	46,133	
Emergency management	6,000	
HAZMAT team development	10,045	
	<u>62,178</u>	\$ 851,181

## Court Services Service Area:

## Assistance to district court system:

Physical operations	17,906	
Research and other assistance	3,383	
	<u>21,289</u>	

## Court proceedings:

Juries and witnesses	216	
Court reporting	403	
Court-appointed attorney's & courts costs for juveniles	24	
Service of civil papers	35,625	
	<u>36,268</u>	

## Juvenile justice administration:

Juvenile victim restitution	<u>89,271</u>	146,828
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## Physical Health and Education Service Area:

## Educational services:

Historic preservation	7,986	
Fair and 4-H clubs	41,600	
Memorial halls	7,500	
	<u>57,086</u>	57,086

**Schedule 2**

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Greene County

General Fund

Statement of Expenditures

Year ended June 30, 2002

Social Services Service Area:

Services to the poor:

Administration	13,788	
General welfare services	12,436	
	<u>26,224</u>	

Services to military veterans:

Administration	8,156	
General services to veterans	8,251	
	<u>16,407</u>	

Children and family services:

Family protection services	1,138	
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Services to other adults:

Services to the elderly	87,434	
Other social services	1,736	
	<u>89,170</u>	

Chemical dependency:

Treatment services	6,520	
Preventive services	7,233	
	<u>13,753</u>	146,692

County Environment Service Area:

Conservation and recreation services:

Administration	733	
Maintenance and operations	222,830	
	<u>223,563</u>	

Animal control:

Animal shelter	707	
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County development:

Land use and building controls	71,139	
Housing rehabilitation and development	64,763	
	<u>135,902</u>	360,172

State and Local Government Services Service Area:

Representation services:

Local elections	57,965	
Township officials	2,266	
	<u>60,231</u>	

## Greene County

## General Fund

## Statement of Expenditures

Year ended June 30, 2002

State and Local Government Services Service Area  
(continued):

## State administrative services:

Motor vehicle registrations and licensing	76,707	
Recording of public documents	76,674	
	<u>153,381</u>	213,612

## Interprogram Services Service Area:

## Policy and administration:

General County management	127,784	
Administrative management services	78,286	
Treasury management services	111,530	
Other policy and administration	299,255	
	<u>616,855</u>	

## Central services:

General services	199,148	
Data processing services	84,010	
	<u>283,158</u>	

## Risk management services:

Safety of the workplace	82,387	
Unemployment compensation	1,663	
	<u>84,050</u>	984,063

## Non-program Service Area:

Other non-program current expenditures		<u>6,361</u>
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Total		<u><u>\$ 2,765,995</u></u>
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See accompanying independent auditor's report.

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

	Rural Services	Secondary Roads	County Recorder's Records Management
<b>Assets</b>			
Cash and pooled investments:			
County Treasurer	\$ 232,612	416,169	8,050
Raccoon River Valley Trail Foundation	-	-	-
Receivables:			
Property tax:			
Delinquent	194	-	-
Succeeding year	1,187,000	-	-
Future drainage assessments	-	-	-
Due from other funds	-	-	216
Due from other governments	-	476,401	-
Inventories	-	703,431	-
	<b>\$ 1,419,806</b>	<b>1,596,001</b>	<b>8,266</b>
<b>Liabilities and Fund Equity</b>			
Liabilities:			
Accounts payable	\$ 1,045	262,914	-
Salaries and benefits payable	2,057	46,777	-
Due to other governments	-	1,508	-
Deferred revenue:			
Succeeding year property tax	1,187,000	-	-
Other	194	-	-
Compensated absences	854	14,368	-
Total liabilities	1,191,150	325,567	-
Fund equity:			
Fund balances:			
Reserved for:			
Drainage warrants	-	-	-
Inventories	-	703,431	-
Unreserved	228,656	567,003	8,266
Total fund equity	228,656	1,270,434	8,266
<b>Total liabilities and fund equity</b>	<b>\$ 1,419,806</b>	<b>1,596,001</b>	<b>8,266</b>

See accompanying independent auditor's report.



Mental Health	Forfeiture	Drainage Districts	Raccoon River Valley Trail Foundation	Total
187,449	434	112,029	-	956,743
-	-	-	2,738	2,738
251	-	-	-	445
588,000	-	-	-	1,775,000
-	-	433,593	-	433,593
-	2,574	-	-	2,790
-	-	-	-	476,401
-	-	-	-	703,431
<u>775,700</u>	<u>3,008</u>	<u>545,622</u>	<u>2,738</u>	<u>4,351,141</u>
87,167	-	-	-	351,126
-	-	-	-	48,834
84,431	-	-	-	85,939
588,000	-	-	-	1,775,000
251	-	433,593	-	434,038
-	-	-	-	15,222
<u>759,849</u>	<u>-</u>	<u>433,593</u>	<u>-</u>	<u>2,710,159</u>
-	-	28,356	-	28,356
-	-	-	-	703,431
<u>15,851</u>	<u>3,008</u>	<u>83,673</u>	<u>2,738</u>	<u>909,195</u>
<u>15,851</u>	<u>3,008</u>	<u>112,029</u>	<u>2,738</u>	<u>1,640,982</u>
<u>775,700</u>	<u>3,008</u>	<u>545,622</u>	<u>2,738</u>	<u>4,351,141</u>

Greene County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2002

	Rural Services	Secondary Roads
<b>Revenues:</b>		
Property and other County tax:		
Property tax	\$ 1,168,534	-
Utility tax replacement excise tax	33,383	-
Other	-	-
	1,201,917	-
<b>Intergovernmental:</b>		
State shared revenue:		
Road use tax allocation	-	1,962,051
<b>State grants and reimbursements including indirect federal funding:</b>		
Social services block grant	-	-
Other	-	559,406
	-	559,406
<b>State tax replacement:</b>		
State tax credits	77,441	-
Mental health property tax relief	-	-
Other	-	-
	77,441	-
<b>Contributions and reimbursements from other governmental units</b>		
	11,180	-
	88,621	2,521,457
Licenses and permits	-	305
Charges for service	-	-
<b>Use of money and property:</b>		
Interest on investments	-	-
Fines, forfeitures and defaults	-	-
<b>Miscellaneous:</b>		
Drainage assessments	-	-
Other	864	154,151
	864	154,151
<b>Total revenues</b>	<b>1,291,402</b>	<b>2,675,913</b>

County Recorder's Records Management	Mental Health	Forfeiture	Drainage Districts	Raccoon River Valley Trail Foundation	Total
-	566,446	-	-	-	1,734,980
-	19,743	-	-	-	53,126
-	232	-	-	1,645	1,877
-	586,421	-	-	1,645	1,789,983
-	-	-	-	-	1,962,051
-	130,373	-	-	-	130,373
-	47,824	-	-	-	607,230
-	178,197	-	-	-	737,603
-	41,566	-	-	-	119,007
-	410,342	-	-	-	410,342
-	69,582	-	-	-	69,582
-	521,490	-	-	-	598,931
-	-	-	-	-	11,180
-	699,687	-	-	-	3,309,765
-	-	-	-	-	305
2,573	9,136	-	-	-	11,709
151	-	-	-	-	151
-	-	4,475	-	-	4,475
-	-	-	362,906	-	362,906
-	-	-	-	-	155,015
-	-	-	362,906	-	517,921
2,724	1,295,244	4,475	362,906	1,645	5,634,309

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Greene County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2002

	<u>Rural</u> <u>Services</u>	<u>Secondary</u> <u>Roads</u>
Expenditures:		
Operating:		
Public Safety Service Area:		
Law enforcement:		
Adult correction services	-	-
Physical Health and Education Service Area:		
Educational services:		
Libraries	70,793	-
Mental Health Service Area:		
Persons with mental health problems - mental illness:		
General administration	-	-
Treatment services	-	-
Institutional, hospital, and commitment services	-	-
	-	-
Persons with chronic mental illness:		
Case management services	-	-
Personal and environmental support	-	-
Treatment services	-	-
Vocational and day services	-	-
Licensed or certified living arrangements	-	-
Institutional, hospital, and commitment services	-	-
	-	-
Persons with mental retardation:		
Coordination services	-	-
Personal and environmental support	-	-
Treatment services	-	-
Vocational and day services	-	-
Licensed or certified living arrangements	-	-
Institutional, hospital, and commitment services	-	-
	-	-
Persons with other developmental disabilities:		
Licensed or certified living arrangements	-	-
	-	-

County Recorder's Records Management	Mental Health	Forfeiture	Drainage Districts	Raccoon River Valley Trail Foundation	Total
-	-	7,986	-	-	7,986
-	-	-	-	-	70,793
-	15,793	-	-	-	15,793
-	35,660	-	-	-	35,660
-	28,113	-	-	-	28,113
-	79,566	-	-	-	79,566
-	1,480	-	-	-	1,480
-	4,163	-	-	-	4,163
-	48,762	-	-	-	48,762
-	36,897	-	-	-	36,897
-	143,533	-	-	-	143,533
-	9,207	-	-	-	9,207
-	244,042	-	-	-	244,042
-	12,805	-	-	-	12,805
-	2,395	-	-	-	2,395
-	895	-	-	-	895
-	230,241	-	-	-	230,241
-	481,081	-	-	-	481,081
-	111,230	-	-	-	111,230
-	838,647	-	-	-	838,647
-	42,299	-	-	-	42,299
-	1,204,554	-	-	-	1,204,554

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Greene 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 (continued):		
Operating:		
County Environment Service Area:		
Environmental quality:		
Weed eradication	86,934	-
Solid waste disposal	67,942	-
	<u>154,876</u>	-
Roads and Transportation Service Area:		
Secondary roads administration and engineering:		
Administration	-	122,138
Engineering	-	343,384
	-	<u>465,522</u>
Roadway maintenance:		
Bridges and culverts	-	85,555
Roads	-	702,121
Snow and ice control	-	46,875
Traffic controls	-	46,854
Road clearing	-	110,861
	-	<u>992,266</u>
General roadway:		
Equipment	-	1,072,870
Equipment operations	-	915,516
Tools, materials, and supplies	-	95,327
Real estate and buildings	-	392,723
	-	<u>2,476,436</u>
	-	<u>3,934,224</u>
State and Local Government Services Service Area:		
State administrative services:		
Recording of public documents	-	-
Interprogram Services Service Area:		
Policy and administration:		
Other policy and administration	1,003	-

County Recorder's Records Management	Mental Health	Forfeiture	Drainage Districts	Raccoon River Valley Trail Foundation	Total
-	-	-	-	-	86,934
-	-	-	-	-	67,942
-	-	-	-	-	154,876
-	-	-	-	-	122,138
-	-	-	-	-	343,384
-	-	-	-	-	465,522
-	-	-	-	-	85,555
-	-	-	-	-	702,121
-	-	-	-	-	46,875
-	-	-	-	-	46,854
-	-	-	-	-	110,861
-	-	-	-	-	992,266
-	-	-	-	-	1,072,870
-	-	-	-	-	915,516
-	-	-	-	-	95,327
-	-	-	-	-	392,723
-	-	-	-	-	2,476,436
-	-	-	-	-	3,934,224
2,690	-	-	-	-	2,690
-	-	-	-	-	1,003

Greene 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:		
Non-program Service Area:		
Drainage district construction and repair	-	-
Debt Service Service Area:		
Drainage district warrants paid	-	-
Interest on drainage district warrants	-	-
Capital Projects Service Area:		
Roadway construction	-	703,368
Other capital projects	-	-
Total expenditures	226,672	4,637,592
Excess (deficiency) of revenues over (under) expenditures	1,064,730	(1,961,679)
Other financing sources (uses):		
Capital lease purchase agreement	-	582,948
Real estate contract payable	-	105,762
Proceeds from drainage warrant and drainage improvement certificates	-	-
Operating transfers in (out):		
General	-	20,000
Special Revenue:		
Rural Services	-	980,000
Secondary Roads	(980,000)	-
Total other financing sources (uses)	(980,000)	1,688,710
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	84,730	(272,969)
Fund balances beginning of year	143,926	1,460,094
Increase in reserve for inventories	-	83,309
Fund balances end of year	\$ 228,656	1,270,434

See accompanying independent auditor's report.



County Recorder's Records Management	Mental Health	Forfeiture	Drainage Districts	Raccoon River Valley Trail Foundation	Total
-	-	-	81,718	-	81,718
-	-	-	308,961	-	308,961
-	-	-	34,429	-	34,429
-	-	-	343,390	-	343,390
-	-	-	-	-	703,368
-	-	-	-	643	643
-	-	-	-	643	704,011
2,690	1,204,554	7,986	425,108	643	6,505,245
34	90,690	(3,511)	(62,202)	1,002	(870,936)
-	-	-	-	-	582,948
-	-	-	-	-	105,762
-	-	-	81,718	-	81,718
-	-	-	-	-	20,000
-	-	-	-	-	980,000
-	-	-	-	-	(980,000)
-	-	-	81,718	-	790,428
34	90,690	(3,511)	19,516	1,002	(80,508)
8,232	(74,839)	6,519	92,513	1,736	1,638,181
-	-	-	-	-	83,309
8,266	15,851	3,008	112,029	2,738	1,640,982

**Greene County**

## Greene County

## Capital Projects Fund

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

Year ended June 30, 2002

Revenues:	
Miscellaneous	<u>\$        320</u>
Expenditures:	
Debt Service Service Area:	
Interest paid	536
Capital Projects Service Area:	
Bike trail project	<u>2,052</u>
Total expenditures	<u>2,588</u>
Deficiency of revenues under expenditures	(2,268)
Other financing sources:	
Operating transfers in:	
General	<u>12,986</u>
Excess of revenues and other financing sources over expenditures	10,718
Fund balance beginning of year	<u>(8,717)</u>
Fund balance end of year	<u><u>\$        2,001</u></u>

See accompanying independent auditor's report.

**Schedule 6**

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

	<u>Expendable Trust</u>		
	<u>Conservation Land Acquisition Trust</u>	Agency	Total
<b>Assets</b>			
Cash and pooled investments:			
County Treasurer	\$ 1,902	736,411	738,313
Other County officials	-	22,854	22,854
Receivables:			-
Property tax:			
Delinquent	-	5,357	5,357
Succeeding year	-	9,933,000	9,933,000
Accounts	-	17	17
<b>Total assets</b>	<b>\$ 1,902</b>	<b>10,697,639</b>	<b>10,699,541</b>
<b>Liabilities and Fund Equity</b>			
Liabilities:			
Accounts payable	\$ 8,201	-	8,201
Salaries and benefits payable	-	4,672	4,672
Loan payable	7,000	-	7,000
Due to other funds	-	23,004	23,004
Due to other governments	-	10,664,265	10,664,265
Trusts payable	-	5,211	5,211
Compensated absences	-	487	487
Total liabilities	15,201	10,697,639	10,712,840
Fund equity:			
Unreserved fund balance	(13,299)	-	(13,299)
<b>Total liabilities and fund equity</b>	<b>\$ 1,902</b>	<b>10,697,639</b>	<b>10,699,541</b>

See accompanying independent auditor's report.

## Greene County

## Expendable Trust Fund

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

Year ended June 30, 2002

	<u>Conservation Land Acquisition Trust</u>
Revenues:	
Miscellaneous:	
Sale of commodities	\$ 100
Donations	3,257
Total revenues	<u>3,357</u>
Expenditures:	
Debt Service Service Area:	
Interest	460
Capital Projects Service Area:	
Conservation land acquisition and development	38,686
Total expenditures	<u>39,146</u>
Deficiency of revenues under expenditures	<u>(35,789)</u>
Other financing sources:	
Sale of general fixed assets	23,325
Operating transfers in:	
General	18,500
Total other financing sources	<u>41,825</u>
Excess of revenues and other financing sources over expenditures	6,036
Fund balance beginning of year	<u>(19,335)</u>
Fund balance end of year	<u>\$ (13,299)</u>

See accompanying independent auditor's report.

Greene County  
 Agency Funds  
 Combining Balance Sheet  
 June 30, 2002

	County Offices	
	County Recorder	County Sheriff
<b>Assets</b>		
Cash and pooled investments:		
County Treasurer	\$ -	-
Other County officials	5,971	16,883
Receivables:		
Property tax:		
Delinquent	-	-
Succeeding year	-	-
Accounts	17	-
<b>Total assets</b>	<b>\$ 5,988</b>	<b>16,883</b>
<b>Liabilities</b>		
Liabilities:		
Salaries and benefits payable	\$ -	-
Due to other funds	4,839	11,725
Due to other governments	1,095	1
Trusts payable	54	5,157
Compensated absences	-	-
<b>Total liabilities</b>	<b>\$ 5,988</b>	<b>16,883</b>

Agricultural Extension Education	County Assessor	City Special Assessments	Schools	Community Colleges	Corporations	Townships
1,652	148,815	1,904	76,106	3,294	14,437	2,224
-	-	-	-	-	-	-
56	89	-	2,637	113	2,030	50
138,000	228,000	-	6,399,000	291,000	1,835,000	161,000
-	-	-	-	-	-	-
<b>139,708</b>	<b>376,904</b>	<b>1,904</b>	<b>6,477,743</b>	<b>294,407</b>	<b>1,851,467</b>	<b>163,274</b>
-	4,672	-	-	-	-	-
-	-	-	-	-	-	-
139,708	371,745	1,904	6,477,743	294,407	1,851,467	163,274
-	-	-	-	-	-	-
-	487	-	-	-	-	-
<b>139,708</b>	<b>376,904</b>	<b>1,904</b>	<b>6,477,743</b>	<b>294,407</b>	<b>1,851,467</b>	<b>163,274</b>

Greene County  
 Agency Funds  
 Combining Balance Sheet  
 June 30, 2002

	Auto License and Use Tax	Brucellosis and Tuberculosis Eradication
<b>Assets</b>		
Cash and pooled investments:		
County Treasurer	179,950	1,141
Other County officials	-	-
Receivables:		
Property tax:		
Delinquent	-	1
Succeeding year	-	2,000
Accounts	-	-
<b>Total assets</b>	<b>179,950</b>	<b>3,142</b>
<b>Liabilities</b>		
Liabilities:		
Salaries and benefits payable	-	-
Due to other funds	6,440	-
Due to other governments	173,510	3,142
Trusts payable	-	-
Compensated absences	-	-
<b>Total liabilities</b>	<b>179,950</b>	<b>3,142</b>

See accompanying independent auditor's report.



Drainage Districts	Emergency Management Services	County Hospital	E911	Total
2,494	15,557	161,146	127,691	736,411
-	-	-	-	22,854
-	-	381	-	5,357
-	-	879,000	-	9,933,000
-	-	-	-	17
<b>2,494</b>	<b>15,557</b>	<b>1,040,527</b>	<b>127,691</b>	<b>10,697,639</b>
-	-	-	-	4,672
-	-	-	-	23,004
2,494	15,557	1,040,527	127,691	10,664,265
-	-	-	-	5,211
-	-	-	-	487
<b>2,494</b>	<b>15,557</b>	<b>1,040,527</b>	<b>127,691</b>	<b>10,697,639</b>

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Greene County

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 2002

	<u>County Offices</u>	
	<u>County Recorder</u>	<u>County Sheriff</u>
<b>Assets and Liabilities</b>		
Balance beginning of year	\$ 7,181	11,335
Additions:		
Property and other County tax	-	-
E911 surcharge	-	-
State tax credits	-	-
Office fees and collections	146,855	201,772
Auto licenses, use tax and postage	-	-
Assessments	-	-
Miscellaneous	-	-
Total additions	<u>146,855</u>	<u>201,772</u>
Deductions:		
Agency remittances:		
To other funds	69,325	35,977
To other governments	78,723	85
Trusts paid out	-	160,162
Total deductions	<u>148,048</u>	<u>196,224</u>
Balance end of year	<u>\$ 5,988</u>	<u>16,883</u>

Agricultural Extension Education	County Assessor	City Special Assessments	Schools	Community Colleges	Corporations	Townships
135,771	399,652	778	6,136,432	271,602	1,716,349	174,193
135,853	229,069	2,002	6,404,055	285,997	1,818,959	157,443
-	-	-	-	-	-	-
11,573	18,367	-	555,673	23,090	313,662	11,280
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
147,426	247,436	2,002	6,959,728	309,087	2,132,621	168,723
-	-	-	-	-	-	-
143,489	270,184	876	6,618,417	286,282	1,997,503	179,642
-	-	-	-	-	-	-
143,489	270,184	876	6,618,417	286,282	1,997,503	179,642
139,708	376,904	1,904	6,477,743	294,407	1,851,467	163,274

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Greene County

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 2002

	<u>Auto License and Use Tax</u>	<u>Brucellosis and Tuberculosis Eradication</u>
<b>Assets and Liabilities</b>		
Balance beginning of year	<u>176,284</u>	<u>3,123</u>
Additions:		
Property and other County tax	-	2,347
E911 surcharge	-	-
State tax credits	-	206
Office fees and collections	-	-
Auto licenses, use tax and postage	2,212,249	-
Assessments	-	-
Miscellaneous	-	-
Total additions	<u>2,212,249</u>	<u>2,553</u>
Deductions:		
Agency Remittances:		
To other funds	82,252	-
To other governments	2,126,331	2,534
Trusts paid out	-	-
Total deductions	<u>2,208,583</u>	<u>2,534</u>
Balance end of year	<u><u>179,950</u></u>	<u><u>3,142</u></u>

accompanying independent auditor's report. See

Drainage Districts	Emergency Management Services	County Hospital	E911	Total
42,853	15,219	1,062,609	147,535	10,300,916
-	-	866,174	-	9,901,899
-	-	-	58,277	58,277
-	-	78,987	-	1,012,838
-	-	-	-	348,627
-	-	-	-	2,212,249
739	-	-	-	739
-	16,045	-	2,808	18,853
739	16,045	945,161	61,085	13,553,482
-	-	-	-	187,554
41,098	15,707	967,243	80,929	12,809,043
-	-	-	-	160,162
41,098	15,707	967,243	80,929	13,156,759
2,494	15,557	1,040,527	127,691	10,697,639

**Schedule 10**

## Greene County

## Comparison of Taxes and Intergovernmental Revenues

	Years ended June 30,			
	2002	2001	2000	1999
<b>Taxes:</b>				
Property tax	\$ 3,792,130	3,680,791	3,696,745	3,544,302
Utility tax replacement excise tax	124,827	127,151	-	-
Other	2,718	2,786	1,072	1,023
	<u>3,919,675</u>	<u>3,810,728</u>	<u>3,697,817</u>	<u>3,545,325</u>
<b>Intergovernmental:</b>				
State shared revenues:				
Road use tax	1,962,051	1,881,459	1,908,816	1,863,519
Other	10,943	28,142	13,845	28,551
State grants and reimbursements including indirect federal funding:				
Community development block grant	-	-	-	1,201,000
Social services block grant	130,373	48,186	61,669	49,779
Affordable housing program	96,193	119,987	-	-
Other	645,004	718,901	255,197	175,169
State tax replacements:				
State tax credits	269,961	324,791	343,197	273,791
State allocation	123,011	91,905	93,066	92,955
Mental health property tax relief	410,342	410,342	410,342	410,342
Other	69,582	48,990	56,819	59,686
Direct federal grants and entitlements:				
Public safety partnership and community policing	-	-	1,421	3,226
Contributions and reimbursements from other governmental units	92,213	82,294	119,851	326,107
	<u>3,809,673</u>	<u>3,754,997</u>	<u>3,264,223</u>	<u>4,484,125</u>
<b>Total</b>	<u>\$ 7,729,348</u>	<u>7,565,725</u>	<u>6,962,040</u>	<u>8,029,450</u>

See accompanying independent auditor's report.

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

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
State Administrative Matching Grants for Food Stamp Program	10.561		\$ 2,805
U.S. Department of Housing and Urban Development:			
Iowa Department of Economic Development:			
HOME Investment Partnerships Program	14.239	00-HM-109-65	96,193
U.S. Department of Justice:			
Iowa Department of Public Safety:			
Public Safety Partnership and Community Policing Grants	16.710	96CMWX0372	2,389
U.S. Department of Transportation:			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	BROS-C037(33)-8J-37	115,694
Highway Planning and Construction	20.205	BROS-C037(34)-8J-37	216,682
Highway Planning and Construction	20.205	BROS-C037(35)-8J-37	89,686
			<u>422,062</u>
U.S. Department of Health and Human Services:			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Temporary Assistance for Needy Families	93.558		4,341
Refugee and Entrant Assistance-State Administered Programs	93.566		17
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		569
Foster Care - Title IV-E	93.658		1,478
Adoption Assistance	93.659		506
Medical Assistance Program	93.778		4,444
Social Services Block Grant	93.667		2,854
Social Services Block Grant	93.667		47,824
			<u>50,678</u>
Total			<u>\$ 585,482</u>

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

See accompanying independent auditor's report.

**Greene County**





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

David A. Vaudt, CPA  
Auditor of State

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

To the Officials of Greene County:

We have audited the general purpose financial statements of Greene County, Iowa, as of and for the year ended June 30, 2002, and have issued our report thereon dated January 9, 2003. We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 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 except for items IV-J-02 and IV-M-02.

**Internal Control Over Financial Reporting**

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

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we believe item II-A-02 is a material weakness. Prior year reportable conditions have been resolved except for items II-A-02, II-B-02, II-D-02 and II-E-02.

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

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Greene County during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

January 9, 2003



OFFICE OF AUDITOR OF STATE  
STATE OF IOWA

David A. Vaudt, CPA  
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State Capitol Building  
Des Moines, Iowa 50319-0004

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

To the Officials of Greene County:

Compliance

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

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

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

Internal Control Over Compliance

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

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

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

WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

January 9, 2003

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

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

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

Greene County

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

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

**INSTANCES OF NON-COMPLIANCE:**

No matters were reported.

**REPORTABLE CONDITIONS:**

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

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

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

Response -

Treasurer - I will make a mail listing twice a month in order to do a follow up on posting of work and deposits.

Sheriff - We currently have two employees in addition to our secretary that are opening the mail and assisting in these duties. We will continue to evaluate procedures and will utilize available staff to maximize internal controls.

Recorder - There is not enough staff to segregate these duties.

Conclusion -

County Treasurer - Response accepted.

County Sheriff - Response accepted.

County Recorder - Response acknowledged. For those offices with limited staff, other county personnel could be used to provide additional control through review of financial transactions. Also, the reviews performed by an independent person should be evidenced by initials or signature of the reviewer and the date of review.

Greene County

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

II-B-02 Compensated Absences – Certain employees have accumulated unused vacation and compensatory time hours in excess of the maximum hours allowed under the County's current personnel policy and union agreement.

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

Response – We will propose changing the union contract to more accurately reflect the usage of vacation time.

Conclusion – Response acknowledged. Also, the County should comply with its personnel policy.

II- C-02 Raccoon River Valley Trail Foundation – The following weaknesses were noted:

- Evidence of authorization or Foundation Board approval is not indicated for disbursements.
- No board minutes or records of meetings are kept.

Recommendation – The Raccoon River Valley Trail Foundation should document authorization for disbursements. Board minutes or records of meetings should be kept and signed by appropriate officials to document significant actions taken.

Response – The Foundation will take minutes of board meetings and will have evidence of board authorization of disbursements.

Conclusion – Response accepted.

II-D-02 Electronic Data Processing Systems – The County does not have written policies for:

- requiring the computer system to log password usage so that the same password can not be used again.
- requiring the computer system to deny access to the user after three failed attempts to gain access to the computer system.
- requiring multiple back-ups to be maintained off-site at all times.

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

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

Response – We purchased a media vault (fire-protected) and it is now off-site, containing multiple back-ups. All CMS passwords will be changed at our next software update. The software provider is responsible for logging password usage and denying user access. We will develop a written disaster recovery plan.

Conclusion – Response accepted.

Greene County

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

II- E-02 County Treasurer - Although monthly bank reconciliations were performed, variances between the book balance and the bank balance at June 30, 2002 were not investigated and resolved.

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

Response - I will check to make sure closed accounts are not listed and check on account variances.

Conclusion - Response accepted.

II-F-02 Secondary Roads - The unit costs for certain inventory items were not correct on the June 30, 2002 inventory list for secondary roads. Also, a gravel pile accounting for 20% of the total crushed rock inventory was not included on inventory.

Recommendation - Secondary roads personnel should ensure unit costs are updated routinely to reflect recent costs. Additionally, an independent review should be documented by the County Engineer to help ensure rock inventory is complete.

Response - Secondary roads is using an average cost system and feels it is updating these costs routinely. One of the items noted by the auditor used an old price. We will ensure the employee maintaining physical inventory and the employee maintaining inventory pricing agree prior to audit. The gravel pile inventory was included after initial problems with electronic inventory were overcome.

Conclusion - Response acknowledged. Gravel inventory should be reviewed by the County Engineer to help ensure the inventory is complete.

II-G-02 Credit Cards - The County has credit cards for use by various employees while on County business. However, written policies governing the use of credit cards have not been adopted.

Recommendation - The Board of Supervisors, in conjunction with the various office and department heads, should establish written policies governing the use of credit cards. At a minimum, policies should address appropriate business use and require not only signed copies of credit card slips and statements, but also require original invoices. Bills should be scrutinized for proper usage by office and department heads, the County Auditor's Office and the Board of Supervisors.

Response - We will establish written policies governing the use of credit cards per recommendation.

Conclusion - Response accepted.



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

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

**INSTANCES OF NON-COMPLIANCE**

No matters were reported.

**REPORTABLE CONDITION:**

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

Greene County

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

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

- IV-A-02 Official Depositories - A resolution naming official depositories has been adopted by the Board of Supervisors. The maximum deposit amounts stated in the resolution were not exceeded during the year.
- IV-B-02 Certified Budget - Disbursements during the year ended June 30, 2002 did not exceed the amounts budgeted.
- IV-C-02 Questionable Expenditures - No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-D-02 Travel Expense - No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- IV-E-02 Business Transactions - No business transactions between the County and County officials or employees were noted.
- IV-F-02 Bond Coverage - Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.
- IV-G-02 Board Minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-H-02 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County's investment policy were noted.
- IV-I-02 Resource Enhancement and Protection Certification - The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- IV-J-02 Health Insurance - The County purchases health insurance for employees which has a deductible. The County reimburses employees for a portion of the deductible through a self-insured benefit plan. Chapter 509A.15 of the Code of Iowa requires the County to obtain an actuarial opinion issued by a fellow of the Society of Actuaries which attests to the adequacy of reserves, rates and the financial condition of the plan, as well as submit an annual financial report to the commissioner of Insurance for the State of Iowa.

Recommendation - The County should obtain an actuarial opinion, issued by a fellow of the Society of Actuaries, as required and submit an annual financial report to the Iowa Commissioner of Insurance.

Response - The County Attorney contacted the office of the Iowa Commissioner of Insurance. That office indicated that rules were being drafted to deal with plans like Greene County's where potential liability is capped that would exempt the County from actuarial analysis.

Conclusion - Response accepted.

Greene County

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

IV-K-02 Greene County E911 – Iowa Administrative Code Section 605, Chapter 10 requires that an E911 Fund be established in the County Treasurer's Office and warrants for payment be drawn by the County Auditor. During the year, the Agency, E911 Fund activity was transferred from the County to a separate bank account and the activity was no longer recorded in the County's records.

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

Response – We have received multiple opinions and will wait for further clarification.

Conclusion – Response acknowledged. However, Iowa Administrative Code Section 605, Chapter 10 requires the Agency, E911 Fund to be established in the County Treasurer's Office and warrants for payment be drawn by the County Auditor.

II-L-02 Noncurrent Debt – During the year ended June 30, 2002, the County entered into a capital lease purchase agreement for three Motorgraders. Also, the County entered into an agreement to purchase land payable over three years. Chapter 331.479 of the Code of Iowa requires that before noncurrent debt can be incurred, the Board shall publish a notice of the proposed action, including a statement of the amount, purposes, and form of the debt, the proposed time of its liquidation, and the time and place of the meeting at which the Board proposes to take action to authorize the debt. At the meeting, the Board shall receive oral and written objections before action is taken to authorize the debt or abandon the proposal.

Recommendation – The County should comply with the Chapter 331.479 of Code of Iowa prior to entering into agreements for noncurrent debt.

Response – We will comply.

Conclusion – Response accepted.

IV-M-02 Deficit Fund Balances – The Expendable Trust, Conservation Land Acquisition Trust Fund had a deficit fund balance of \$13,299 at June 30, 2002.

Recommendation – The County should investigate alternatives to bring this fund to a sound financial position.

Response – We have transferred camping receipts from the General Fund sufficient to cover the deficit fund balance.

Conclusion – Response accepted.

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

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

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Greene County

Staff

This audit was performed by:

K. David Voy, CPA, Manager  
Ernest H. Ruben, Jr., CPA, Senior Auditor II  
Jill M. Bergantzel, CPA, Staff Auditor  
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