



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

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FOR RELEASE _____ February 17, 2003 _____

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

The County had local tax revenue of \$19,376,317 for the year ended June 30, 2002, which included \$1,199,794 in tax credits from the state. The County forwarded \$15,441,286 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$3,935,031 of the local tax revenue to finance County operations, a 4 percent increase from the prior year. Other revenues included \$3,628,243 from the state, including indirect federal funding, and \$155,438 in interest on investments.

Expenditures for County operations totaled \$9,641,365, a 2 percent decrease from the prior year. Expenditures included \$3,665,304 for roads and transportation, \$1,346,804 for mental health and \$1,303,349 for public safety.

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

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

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

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Poweshiek County

Officials

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

Poweshiek County



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Independent Auditor's Report

To the Officials of Poweshiek County:

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

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

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

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

In accordance with Government Auditing Standards, we have also issued our report dated November 15, 2002 on our consideration of Poweshiek County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the general purpose financial statements for the three years ended June 30, 2001 (none of which are presented herein) and expressed qualified opinions on those financial statements for the effects of the omission of the statements of general fixed assets and the omission of the materials and supplies inventories from the Special Revenue Funds. The supplemental information included in Schedules 1 through 10 is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in our audit of the aforementioned financial statements and, in our opinion, is fairly stated in all material respects, in relation to the general purpose financial statements taken as a whole.

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

November 15, 2002

Financial Statements

Poweshiek County
 Combined Balance Sheet
 All Fund Types and Account Group
 June 30, 2002

	Governmental Fund Types		
	General	Special Revenue	Debt Service
Assets and Other Debits			
Cash and pooled investments:			
County Treasurer	\$ 502,162	3,726,988	35,524
Other County officials	-	-	-
Receivables:			
Property tax:			
Delinquent	6,178	2,412	231
Succeeding year	2,173,000	1,464,000	80,000
Interest and penalty on property tax	24,842	-	-
Accounts	2,657	21,018	-
Accrued interest	10,155	88	-
Special assessments	-	-	-
Due from other funds (note 4)	12,438	977	-
Due from other governments	43,213	195,174	-
Prepaid expenditures	73,711	12,000	-
Advance to Internal Service Fund	100,000	-	-
Amount available for payment of landfill postclosure costs	-	-	-
Amount available in Debt Service Fund	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-
Total assets and other debits	\$ 2,948,356	5,422,657	115,755

Proprietary Fund Type	Fiduciary Fund Type	Account Group	Total
Internal Service	Trust and Agency	General Long-Term Debt	(Memorandum Only)
121,948	1,047,125	-	5,433,747
-	25,988	-	25,988
-	47,273	-	56,094
-	13,867,000	-	17,584,000
-	-	-	24,842
-	3,291	-	26,966
-	322	-	10,565
-	26,546	-	26,546
-	184	-	13,599
-	2,072	-	240,459
-	-	-	85,711
-	-	-	100,000
-	-	375,000	375,000
-	-	35,529	35,529
-	-	382,512	382,512
121,948	15,019,801	793,041	24,421,558

Poweshiek County
 Combined Balance Sheet
 All Fund Types and Account Group
 June 30, 2002

	Governmental Fund Types		
	General	Special Revenue	Debt Service
Liabilities and Fund Equity			
Liabilities:			
Accounts payable	\$ 60,264	151,790	-
Salaries and benefits payable	3,849	17,980	-
Contracts payable	-	4,009	-
Due to other funds (note 4)	350	248	-
Due to other governments (note 8)	22,798	71,461	-
Trusts payable	-	-	-
Deferred revenue:			
Succeeding year property tax	2,173,000	1,464,000	80,000
Other	30,547	2,464	226
Capital lease purchase agreement (note 7)	-	-	-
Installment purchase (note 7)	-	-	-
Deferred payment contracts (note 7)	-	101,240	-
General obligation notes payable (note 5)	-	-	-
Compensated absences	32,698	50,866	-
Advance from General Fund	-	-	-
Estimated liability for landfill postclosure costs (note 11)	-	-	-
Total liabilities	2,323,506	1,864,058	80,226
Fund equity:			
Unreserved retained earnings	-	-	-
Fund balances:			
Reserved for:			
Prepaid expenditures	73,711	12,000	-
Debt service	-	-	35,529
Advance to Internal Service Fund	100,000	-	-
Landfill postclosure costs (note 11)	-	375,000	-
Unreserved	451,139	3,171,599	-
Total fund equity	624,850	3,558,599	35,529
Total liabilities and fund equity	\$ 2,948,356	5,422,657	115,755

See notes to financial statements.

<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Account Group</u>	<u>Total</u>
<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Long-Term Debt</u>	<u>(Memorandum Only)</u>
90,000	12,008	-	314,062
-	317	-	22,146
-	-	-	4,009
-	13,001	-	13,599
-	14,922,325	-	15,016,584
-	24,125	-	24,125
-	-	-	3,717,000
-	-	-	33,237
-	-	13,802	13,802
-	-	10,800	10,800
-	-	64,500	165,740
-	-	218,510	218,510
-	6,623	110,429	200,616
100,000	-	-	100,000
-	-	375,000	375,000
190,000	14,978,399	793,041	20,229,230
(68,052)	-	-	(68,052)
-	-	-	85,711
-	-	-	35,529
-	-	-	100,000
-	-	-	375,000
-	41,402	-	3,664,140
(68,052)	41,402	-	4,192,328
121,948	15,019,801	793,041	24,421,558

Poweshiek County

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

Year ended June 30, 2002

	Governmental Fund	
	General	Special Revenue
Revenues:		
Property and other County tax	\$ 2,102,568	1,501,850
Interest and penalty on property tax	46,858	-
Intergovernmental	495,385	3,311,262
Licenses and permits	15,356	30,641
Charges for service	377,125	590,642
Use of money and property	167,799	2,511
Miscellaneous	4,238	34,463
Total revenues	3,209,329	5,471,369
Expenditures:		
Operating:		
Public safety	1,274,696	28,653
Court services	28,345	-
Physical health and education	200,304	33,000
Mental health	-	1,346,804
Social services	305,278	-
County environment	314,873	582,186
Roads and transportation	-	3,665,304
State and local government services	441,792	10,611
Interprogram services	797,830	-
Non-program	19,440	-
Debt service	-	-
Capital projects	-	8,285
Total expenditures	3,382,558	5,674,843
Deficiency of revenues under expenditures	(173,229)	(203,474)

<u>Types</u>	<u>Fiduciary Fund Type</u>	<u>Total</u>
<u>Debt Service</u>	<u>Expendable Trust</u>	<u>(Memorandum Only)</u>
84,738	-	3,689,156
-	-	46,858
5,796	250,000	4,062,443
-	-	45,997
-	28,996	996,763
968	1,260	172,538
-	156,644	195,345
<u>91,502</u>	<u>436,900</u>	<u>9,209,100</u>
-	-	1,303,349
-	-	28,345
-	-	233,304
-	-	1,346,804
-	-	305,278
-	-	897,059
-	-	3,665,304
-	-	452,403
-	-	797,830
-	-	19,440
99,982	-	99,982
-	483,982	492,267
<u>99,982</u>	<u>483,982</u>	<u>9,641,365</u>
<u>(8,480)</u>	<u>(47,082)</u>	<u>(432,265)</u>

Poweshiek County

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

Year ended June 30, 2002

	<u>Governmental Fund</u>	
	<u>General</u>	<u>Special Revenue</u>
Other financing sources (uses):		
Sale of general fixed assets	601	43,281
Deferred payment contract	64,500	-
Installment purchase	-	-
Operating transfers in	-	1,509,737
Operating transfers out	(140,862)	(1,407,947)
Total other financing sources (uses)	<u>(75,761)</u>	<u>145,071</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses	(248,990)	(58,403)
Fund balances beginning of year	865,183	3,605,002
Increase in reserve for:		
Prepaid expenditures	8,657	12,000
Fund balances end of year	<u>\$ 624,850</u>	<u>3,558,599</u>

See notes to financial statements.

<u>Types</u>	<u>Fiduciary Fund Type</u>	<u>Total</u>
<u>Debt Service</u>	<u>Expendable Trust</u>	<u>(Memorandum Only)</u>
-	-	43,882
-	-	64,500
-	13,995	13,995
7,072	32,000	1,548,809
-	-	(1,548,809)
<u>7,072</u>	<u>45,995</u>	<u>122,377</u>
(1,408)	(1,087)	(309,888)
36,937	42,489	4,549,611
-	-	20,657
<u>35,529</u>	<u>41,402</u>	<u>4,260,380</u>

Exhibit C

Poweshiek County

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

Year ended June 30, 2002

	Actual	Amended Budget	Variance - Favorable (Unfavorable)	Actual as % of Amended Budget
Receipts:				
Property and other County tax	\$ 3,689,055	3,710,192	(21,137)	99%
Interest and penalty on property tax	46,565	-	46,565	
Intergovernmental	4,017,572	4,459,382	(441,810)	90%
Licenses and permits	45,917	47,750	(1,833)	96%
Charges for service	1,007,185	882,395	124,790	114%
Use of money and property	217,077	225,770	(8,693)	96%
Miscellaneous	227,726	27,500	200,226	828%
Total receipts	<u>9,251,097</u>	<u>9,352,989</u>	<u>(101,892)</u>	<u>99%</u>
Disbursements:				
Public safety	1,291,668	1,388,769	97,101	93%
Court services	27,462	76,400	48,938	36%
Physical health and education	252,101	271,229	19,128	93%
Mental health	1,326,545	1,399,935	73,390	95%
Social services	321,513	392,445	70,932	82%
County environment	856,043	1,313,817	457,774	65%
Roads and transportation	3,618,318	4,107,500	489,182	88%
State and local government services	450,948	501,279	50,331	90%
Interprogram services	901,031	960,090	59,059	94%
Non-program	14,823	18,400	3,577	81%
Debt service	99,982	99,983	1	100%
Capital projects	477,617	691,000	213,383	69%
Total disbursements	<u>9,638,051</u>	<u>11,220,847</u>	<u>1,582,796</u>	<u>86%</u>
Deficiency of receipts under disbursements	(386,954)	(1,867,858)		
Other financing sources, net	<u>601</u>	<u>50,535</u>		
Deficiency of receipts and other financing sources under disbursements and other financing uses	(386,353)	(1,817,323)		
Balance beginning of year	<u>4,689,806</u>	<u>3,164,682</u>		
Balance end of year	<u>\$ 4,303,453</u>	<u>1,347,359</u>		

See notes to financial statements.

Poweshiek County

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

Proprietary Fund Type

Year ended June 30, 2002

		<u>Internal Service - Employee Group Health</u>
Operating revenues:		
Reimbursements from operating funds		\$ 557,187
Reimbursements from employees		83,205
Insurance reimbursements		<u>2,150</u>
Total operating revenues		642,542
Operating expenses:		
Medical claims	\$ 559,373	
Insurance premiums	123,042	
Administrative fees	33,097	
Miscellaneous	<u>4,310</u>	<u>719,822</u>
Operating loss		(77,280)
Non-operating revenues:		
Interest on investments		<u>1,540</u>
Net loss		(75,740)
Retained earnings beginning of year		<u>7,688</u>
Retained earnings (deficit) end of year		<u><u>\$ (68,052)</u></u>

See notes to financial statements.

Exhibit E

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

	<u>Internal Service - Employee Group Health</u>
Cash flows from operating activities:	
Cash received from operating fund reimbursements	\$ 563,294
Cash received from employees and others	86,202
Cash payments to suppliers for services	<u>(674,822)</u>
Net cash used by operating activities	(25,326)
Cash flows from investing activities:	
Interest on investments	1,540
Cash flows from financing activities:	
Advance from General Fund	<u>100,000</u>
Net increase in cash and cash equivalents	76,214
Cash and cash equivalents at beginning of year	<u>45,734</u>
Cash and cash equivalents at end of year	<u><u>\$ 121,948</u></u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (77,280)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Decrease in accounts receivable	6,954
Increase in accounts payable	<u>45,000</u>
Net cash used by operating activities	<u><u>\$ (25,326)</u></u>

See notes to financial statements.

Poweshiek County

Notes to Financial Statements

June 30, 2002

(1) Summary of Significant Accounting Policies

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

A. Reporting Entity

For financial reporting purposes, Poweshiek County has included all funds, organizations, account groups, agencies, boards, commissions and authorities, except for the general fixed asset account group. The County has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burden on the County. The County has no component units which meet the Governmental Accounting Standards Board Criteria.

Jointly Governed Organizations

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

The County also participates in the following jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa: Drug Task Force Agreement, South Central Iowa Solid Waste Agency and Poweshiek Area Development Corporation.

B. Fund Accounting

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

Governmental Funds

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

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

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

Proprietary Fund

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

Fiduciary Funds

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

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

C. Measurement Focus

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

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

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

D. Basis of Accounting

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

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

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

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

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

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

E. Assets, Liabilities and Fund Equity

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

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

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

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

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

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

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

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

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

Deferred Revenue - Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds, the succeeding year property tax receivable, as well as delinquent property tax 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 and sick leave hours for subsequent use or for payment upon termination, death or retirement. For the Agency Funds, these accumulated are recorded as liabilities in the year earned. In the governmental funds the cost of vacation and sick leave 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 internal service and agency funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

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

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

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

	Governmental Fund Types					
	General			Special Revenue		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 3,289,059	(79,730)	3,209,329	5,479,381	(8,012)	5,471,369
Expenditures	3,457,920	(75,362)	3,382,558	5,610,818	64,025	5,674,843
Net	(168,861)	(4,368)	(173,229)	(131,437)	(72,037)	(203,474)
Other financing sources (uses)	(183,261)	107,500	(75,761)	101,790	43,281	145,071
Beginning fund balances	854,284	10,899	865,183	3,756,635	(151,633)	3,605,002
Increase in reserve for prepaid expenditures	-	8,657	8,657	-	12,000	12,000
Ending fund balances	\$ 502,162	122,688	624,850	3,726,988	(168,389)	3,558,599

	Governmental Fund Types		
	Debt Service		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 91,500	2	91,502
Expenditures	99,982	-	99,982
Net	(8,482)	2	(8,480)
Other financing sources (uses)	7,072	-	7,072
Beginning fund balances	36,934	3	36,937
Increase in reserve for prepaid expenditures	-	-	-
Ending fund balances	\$ 35,524	5	35,529

	Fiduciary Fund Type					
	Expendable Trust			Total		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 391,157	45,743	436,900	9,251,097	(41,997)	9,209,100
Expenditures	469,331	14,651	483,982	9,638,051	3,314	9,641,365
Net	(78,174)	31,092	(47,082)	(386,954)	(45,311)	(432,265)
Other financing sources (uses)	75,000	(29,005)	45,995	601	-	122,377
Beginning fund balances	41,953	536	42,489	4,689,806	(140,195)	4,549,611
Increase in reserve for prepaid expenditures	-	-	-	-	-	20,657
Ending fund balances	\$ 38,779	2,623	41,402	4,303,453	(185,506)	4,260,380

G. Total (Memorandum Only)

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

(2) Cash and Pooled Investments

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

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

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

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:

<u>Type</u>	<u>Fair Value</u>
U.S. Government securities	<u>\$ 8,468</u>

In addition, the County had investments in the Iowa Public Agency Investment Trust which are valued at an amortization cost of \$2,688,728 pursuant to Rule 2a-7 under the Investment Company Act of 1940 and are not subject to risk categorization.

(3) 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 5.59% and 8.39%, 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 \$179,122, \$158,367 and \$153,199, respectively, equal to the required contributions for each year.

(4) Due From and Due to Other Funds

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

Receivable Fund	Description	Amount
General	Trust and Agency: County Recorder	\$ 12,254
	County Sheriff	184
Special Revenue: Sanitary Disposal	Trust and Agency: Sanitary Disposal	100
Secondary Roads	General	350
	Special Revenue: Contract Law Enforcement	64
County Recorder's Record Management	Trust and Agency: County Recorder	463
Trust and Agency: County Sheriff	Special Revenue: Mental Health	184
Total		<u>\$ 13,599</u>

(5) General Obligation Notes Payable

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

Year Ending June 1,	Issued November, 1999			Issued February, 2001			Total	
	Interest Rates	Interest	Principal	Interest Rates	Interest	Principal	Interest	Principal
2003	4.65%	5,511	37,722	4.50%	4,500	50,000	10,011	87,722
2004	4.65	3,757	39,476	4.50	2,250	50,000	6,007	89,476
2005	4.65	1,921	41,312				1,921	41,312
		<u>\$ 11,189</u>	<u>118,510</u>		<u>\$ 6,750</u>	<u>100,000</u>	<u>\$ 17,939</u>	<u>218,510</u>

During the year ended June 30, 2002, the County retired \$86,046 of notes.

(6) Employee Group Health Insurance Plan

The Poweshiek County Employee Group Health Fund was established to account for the partial self funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Employee Group Services, Ltd., (EGS). The agreement was effective July 1, 1991 and is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of \$25,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the Poweshiek County Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to EGS from the Poweshiek County Employee Group Health Fund. The County records the plan assets and related liabilities of the Poweshiek County Employee Group Health Fund as an Internal Service Fund. The County's contribution to the fund for the year ended June 30, 2002 was \$557,187.

Amounts payable from the Employee Group Health Fund at June 30, 2002 total \$90,000 which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior-year and current-year claims, and to establish a reserve for catastrophic losses. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement Number 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. Information on a reconciliation of changes in the aggregate liabilities for claims for the current year is as follows:

Unpaid claims at July 1, 2001	\$ 45,000
Incurred claims (including claims incurred but not reported at June 30, 2002)	604,373
Payments on claims during the fiscal year	<u>(559,373)</u>
Unpaid claims at June 30, 2002	<u>\$ 90,000</u>

(7) 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	Installment Purchase	Deferred Payment Contract	General Obligation Notes	Compensated Absences	Estimated Liability for Landfill Postclosure Costs	Total
Balance beginning of year	\$ 17,557	-	-	304,556	101,286	375,000	798,399
Additions	-	13,995	86,000	-	9,143	-	109,138
Deletions	3,755	3,195	21,500	86,046	-	-	114,496
Balance end of year	<u>\$ 13,802</u>	<u>10,800</u>	<u>64,500</u>	<u>218,510</u>	<u>110,429</u>	<u>375,000</u>	<u>793,041</u>

Capital Lease Purchase Agreement

The County has entered into a capital lease purchase agreement to purchase a tractor. The following is a schedule of the future minimum lease payments, including interest at 10.50% per annum, and the present value of net minimum lease payments under the agreement in effect at June 30, 2002:

<u>Year ending June 30,</u>	<u>Tractor</u>
2003	\$ 5,599
2004	5,599
2005	<u>5,599</u>
Total minimum lease payments	16,797
Less amount representing interest	<u>(2,995)</u>
Present value of net minimum lease payments	<u>\$ 13,802</u>

Payments under capital lease purchase agreements for the year ended June 30, 2002 totaled \$5,599.

Installment Purchase Agreement

On August 24, 2000, the County entered into an installment purchase agreement to purchase a truck. The total cost was \$13,995, plus 9.00% per annum interest, to be financed over a four-year period. During the year ended June 30, 2002, \$4,320 was paid under this agreement. The principal balance at June 30, 2002 was \$10,800.

Deferred Payment Contracts

On November 30, 2001, the County entered into a deferred payment contract to purchase land and a building. The total cost was \$86,000, with no interest, to be financed over a four-year period. During the year ended June 30, 2002, \$21,500 was paid under this agreement. The principal balance at June 30, 2002 was \$64,500.

On May 20, 2002, the County entered into a deferred payment contract to purchase a crawler excavator. The total cost was \$121,240, with no interest, to be financed over a five month period. During the year ended June 30, 2002, \$20,000 was paid under this agreement. The principal balance at June 30, 2002 was \$101,240. The balance was paid in November 2002. This contract is recorded as a fund liability because it is a short-term contract.

(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:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
General	Services	<u>\$ 22,798</u>
Special Revenue:		
Mental Health	Services	70,744
Secondary Roads		89
Sanitary Disposal		<u>628</u>
		<u>71,461</u>
Trust and Agency:		
County Assessor	Collections	583,440
Schools		9,138,349
Community Colleges		614,505
Corporations		3,848,506
Auto License and Use Tax		282,054
Fire Districts		110,326
E911 Surcharge		165,058
All other		<u>180,087</u>
		<u>14,922,325</u>
Total		<u><u>\$ 15,016,584</u></u>

(9) Risk Management

Poweshiek County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool 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 \$147,421.

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, including automobile physical damage, are also reinsured on an individual-member basis.

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

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days' prior written notice may withdraw from the Pool. Upon withdrawal, payments for all claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its capital contribution, however, the refund is reduced by an amount equal to the annual operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation, boiler and machinery and employee blanket bond. The County assumes liability for any deductibles and claims in excess of coverage limitations. The County assumes responsibility for workers compensation, boiler and machinery, and employee blanket bond claims in excess of \$1,000,000, \$1,000,000, and \$80,000 respectively. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(10) Closure and Postclosure Care Costs

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

Governmental Accounting Standards Board Statement No. 18 requires landfill owners to estimate total landfill closure and postclosure care costs and recognize a portion of these costs each year based on the percentage of estimated total landfill capacity used that period. Estimated total costs would consist of four components: (1) the cost of equipment and facilities used in postclosure monitoring and care, (2) the cost of final cover (material and labor), (3) the cost of monitoring the landfill during the postclosure period and (4) the cost of any environmental cleanup required after closure. Estimated total cost would be based on the cost to purchase those services and equipment currently and would be required to be updated annually. These costs for the Poweshiek County Sanitary Landfill have been estimated at \$375,000 and a provision for this liability has been made on the County's balance sheet at June 30, 2002.

Chapter 111 of the Iowa Administrative Code has been promulgated to implement financial assurance rules. Since the Poweshiek County Sanitary Landfill stopped waste disposal prior to the Chapter 111 effective date of August 24, 1994, financial assurance is not required for the Landfill. However, the County has accumulated resources to fund these costs and at June 30, 2002, deposits of \$375,000 are held for these purposes. These funds are reported in the Special Revenue, Sanitary Disposal Fund.

Poweshiek County

Supplemental Information

Poweshiek County

Poweshiek 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	\$ 1,990,961		
Utility tax replacement excise tax	108,308		
Other	<u>3,299</u>	\$ 2,102,568	
Interest and penalty on property tax			46,858
Intergovernmental:			
State shared revenues:			
Franchise tax	20,076		
Other	<u>13,766</u>		
	<u>33,842</u>		
State grants and reimbursements including indirect federal funding:			
Home care aide grant	54,190		
Human services administration reimbursement	48,608		
Other	<u>63,826</u>		
	<u>166,624</u>		
State tax replacements:			
State tax credits	145,885		
State allocation	<u>87,981</u>		
	<u>233,866</u>		
Contributions and reimbursements from other governmental units:			
Other	<u>61,053</u>	495,385	
Licenses and permits			15,356
Charges for service:			
Office fees and collections	210,319		
Auto registration, use tax, drivers license and mailing	155,858		
Other	<u>10,948</u>	377,125	

Schedule 1

Poweshiek 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	151,580	
Net decrease in fair value of investments	(1,882)	
Other	<u>18,101</u>	167,799

Miscellaneous

Total revenues		<u>4,238</u>
		<u>3,209,329</u>

Expenditures:

Operating:

Public safety		1,274,696
Court services		28,345
Physical health and education		200,304
Social services		305,278
County environment		314,873
State and local government services		441,792
Interprogram services		797,830
Non-program		<u>19,440</u>
Total expenditures		<u>3,382,558</u>

Deficiency of revenues under expenditures		<u>(173,229)</u>
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Other financing sources (uses):

Sale of general fixed assets		601
Deferred payment contract		64,500

Operating transfers out:

Special Revenue:

Secondary Roads	(120,536)	
Contract Law Enforcement	18,746	
Debt Service	(7,072)	

Expendable Trust:

Conservation Land Acquisition	<u>(32,000)</u>	<u>(140,862)</u>
Total other financing sources (uses)		<u>(75,761)</u>

Deficiency of revenues and other financing sources under expenditures and other financing uses		(248,990)
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Fund balance beginning of year		865,183
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Increase in reserve for prepaid expenditures		<u>8,657</u>
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Fund balance end of year		<u>\$ 624,850</u>
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See accompanying independent auditor's report.

Poweshiek County

General Fund

Statement of Expenditures

Year ended June 30, 2002

Public Safety Service Area:

Law enforcement:

Uniformed patrol services	\$ 503,735	
Investigations	835	
Unified law enforcement	28,625	
Law enforcement communication	10,130	
Adult correction services	323,955	
Administration	141,436	
	<u>1,008,716</u>	

Legal services:

Criminal prosecution	142,249	
Medical examinations	25,742	
	<u>167,991</u>	

Emergency services:

Ambulance services	62,500	
Emergency management services	29,033	
Fire protection services	6,456	
	<u>97,989</u>	\$ 1,274,696

Court Services Service Area:

Assistance to district court system:

Physical operations	2,174	
Research and other assistance	8,701	
	<u>10,875</u>	

Court proceedings:

Juries and witnesses	3,125	
Court costs	378	
Service of civil papers	4,202	
	<u>7,705</u>	

Juvenile justice administration:

Juvenile victim restitution	2,100	
Court-appointed attorneys and court costs for juveniles	7,665	
	<u>9,765</u>	28,345

Schedule 2

Poweshiek County

General Fund

Statement of Expenditures

Year ended June 30, 2002

Physical Health and Education Service Area:

Physical health services:

Personal and family health services	28
Communicable disease prevention	28
Sanitation	33,570
Health administration	134,678
	<u>168,304</u>

Educational services:

Historic preservation	2,000
Fair and 4-H clubs	30,000
	<u>32,000</u>

200,304

Social Services Service Area:

Services to the poor:

Administration	60,062
General welfare services	56,305
	<u>116,367</u>

Services to military veterans:

Administration	11,287
General services to veterans	10,034
	<u>21,321</u>

Children and family services:

Youth guidance	90,957
Family protection services	500
	<u>91,457</u>

Services to other adults:

Services to the elderly	46,517
Other social services	18,711
	<u>65,228</u>

Chemical dependency:

Treatment services	10,905
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305,278

County Environment Service Area:

Conservation and recreation services:

Administration	152,185
Maintenance and operations	46,188
	<u>198,373</u>

County development:

Economic development	116,500
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314,873

Poweshiek County

General Fund

Statement of Expenditures

Year ended June 30, 2002

State and Local Government Services Service Area:

Representation services:

Elections administration	82,104	
Local elections	16,670	
	<u>98,774</u>	

State administrative services:

Motor vehicle registrations and licensing	224,247	
Recording of public documents	118,771	
	<u>343,018</u>	441,792

Interprogram Services Service Area:

Policy and administration:

General County management	139,875	
Administrative management services	156,971	
Treasury management services	148,249	
Other policy and administration	24,516	
	<u>469,611</u>	

Central services:

General services	84,295	
Data processing services	43,512	
	<u>127,807</u>	

Risk management services:

Tort liability	92,884	
Safety of the workplace	106,453	
Fidelity of public officials	1,075	
	<u>200,412</u>	797,830

Non-program Service Area:

County farm operations	83	
Other county enterprises	19,357	19,440
	<u>19,357</u>	

Total		<u><u>\$ 3,382,558</u></u>
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Poweshiek County
Special Revenue Funds
Combining Balance Sheet

June 30, 2002

	Mental Health	Rural Services	Poweshiek County Urban Renewal	Secondary Roads
Assets				
Cash and pooled investments	\$ 916,650	436,970	3,197	1,431,573
Receivables:				
Property tax:				
Delinquent	1,127	1,285	-	-
Succeeding year	404,000	993,000	67,000	-
Accounts	13,434	80	-	5,655
Accrued interest	-	-	-	-
Due from other funds	-	-	-	414
Due from other governments	315	-	-	192,400
Prepaid expenditures	-	-	-	12,000
Total assets	\$ 1,335,526	1,431,335	70,197	1,642,042
Liabilities and Fund Equity				
Liabilities:				
Accounts payable	\$ 60,578	285	-	63,413
Salaries and benefits payable	1,508	-	-	14,868
Contracts payable	-	-	-	-
Due to other funds	184	-	-	-
Due to other governments	70,744	-	-	89
Deferred revenue:				
Succeeding year property tax	404,000	993,000	67,000	-
Other	1,103	1,261	-	-
Deferred payment contract	-	-	-	101,240
Compensated absences	2,835	-	-	41,288
Total liabilities	540,952	994,546	67,000	220,898
Fund equity:				
Fund balance:				
Reserved for:				
Prepaid expenditures	-	-	-	12,000
Landfill postclosure costs	-	-	-	-
Unreserved	794,574	436,789	3,197	1,409,144
Total fund equity	794,574	436,789	3,197	1,421,144
Total liabilities and fund equity	\$ 1,335,526	1,431,335	70,197	1,642,042

See accompanying independent auditor's report.

Resource Enhancement and Protection	County Recorder's Records Management	Sheriff/Jail	Special Law Enforcement	Contract Law Enforcement	County Attorney Forfeiture	Sanitary Disposal	Total
47,007	31,255	702	3,040	8,012	468	848,114	3,726,988
-	-	-	-	-	-	-	2,412
-	-	-	-	-	-	-	1,464,000
-	500	-	20	-	-	1,329	21,018
-	88	-	-	-	-	-	88
-	463	-	-	-	-	100	977
233	-	-	-	-	-	2,226	195,174
-	-	-	-	-	-	-	12,000
47,240	32,306	702	3,060	8,012	468	851,769	5,422,657
-	-	-	-	119	-	27,395	151,790
-	-	-	-	-	-	1,604	17,980
-	4,009	-	-	-	-	-	4,009
-	-	-	-	64	-	-	248
-	-	-	-	-	-	628	71,461
-	-	-	-	-	-	-	1,464,000
-	-	-	-	-	-	100	2,464
-	-	-	-	-	-	-	101,240
-	-	-	-	-	-	6,743	50,866
-	4,009	-	-	183	-	36,470	1,864,058
-	-	-	-	-	-	-	12,000
-	-	-	-	-	-	375,000	375,000
47,240	28,297	702	3,060	7,829	468	440,299	3,171,599
47,240	28,297	702	3,060	7,829	468	815,299	3,558,599
47,240	32,306	702	3,060	8,012	468	851,769	5,422,657

Poweshiek County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2002

	Poweshiek County			
	Mental Health	Rural Services	Urban Renewal	Secondary Roads
Revenues:				
Property and other County tax:				
Property tax	\$ 395,796	965,130	51,477	-
Utility tax replacement excise tax	21,532	67,259	-	-
Other	656	-	-	-
	<u>417,984</u>	<u>1,032,389</u>	<u>51,477</u>	<u>-</u>
Intergovernmental:				
State shared revenues:				
Road use tax	-	-	-	2,293,962
State grants and reimbursements including Indirect federal funding:				
Social services block grant	74,378	-	-	-
Other	3,870	-	-	7,698
	<u>78,248</u>	<u>-</u>	<u>-</u>	<u>7,698</u>
State tax replacements:				
State tax credits	29,002	63,680	1,512	-
State allocation	-	37,772	-	-
Mental health property tax relief	548,128	-	-	-
Other	116,194	-	-	-
	<u>693,324</u>	<u>101,452</u>	<u>1,512</u>	<u>-</u>
Contributions and reimbursements from other governmental units				
	-	-	-	34,890
	<u>771,572</u>	<u>101,452</u>	<u>1,512</u>	<u>2,336,550</u>
Licenses and permits				
	-	9,689	-	20,952

Resource Enhancement and Protection	County Recorder's Records Management	Sheriff/Jail	Special Law Enforcement	Contract Law Enforcement	County Attorney Forfeiture	Sanitary Disposal	Total
-	-	-	-	-	-	-	1,412,403
-	-	-	-	-	-	-	88,791
-	-	-	-	-	-	-	656
-	-	-	-	-	-	-	1,501,850
-	-	-	-	-	-	-	2,293,962
-	-	-	-	-	-	-	74,378
7,744	-	-	50	-	-	-	19,362
7,744	-	-	50	-	-	-	93,740
-	-	-	-	-	-	-	94,194
-	-	-	-	-	-	-	37,772
-	-	-	-	-	-	-	548,128
-	-	-	-	-	-	-	116,194
-	-	-	-	-	-	-	796,288
-	-	-	-	50,000	-	42,382	127,272
7,744	-	-	50	50,000	-	42,382	3,311,262
-	-	-	-	-	-	-	30,641

Poweshiek County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2002

	Mental Health	Rural Services	Poweshiek County Urban Renewal	Secondary Roads
Revenues (continued):				
Charges for service	-	1,208	-	-
Use of money and property:				
Interest on investments	-	-	-	-
Other	-	-	-	326
	-	-	-	326
Miscellaneous:				
Sale of material	-	-	-	20,117
Insurance reimbursements	-	-	-	-
Other	4,748	-	-	1,987
	4,748	-	-	22,104
Total revenues	1,194,304	1,144,738	52,989	2,379,932
Expenditures:				
Operating:				
Public Safety Service Area:				
Law enforcement:				
Uniformed patrol services	-	-	-	-
Contract law enforcement	-	-	-	-
Adult correction services	-	-	-	-
	-	-	-	-
Physical Health and Education Service Area:				
Educational services:				
Libraries	-	33,000	-	-
Mental Health Service Area:				
Persons with mental health problems - mental illness:				
Information and education services	7,973	-	-	-
General administration	48,461	-	-	-
Coordination services	69	-	-	-
Treatment services	47,606	-	-	-
Institutional, hospital, and commitment services	29,158	-	-	-
	133,267	-	-	-

Resource Enhancement and Protection	County Recorder's Records Management	Sheriff/Jail	Special Law Enforcement	Contract Law Enforcement	County Attorney Forfeiture	Sanitary Disposal	Total
-	5,531	-	-	-	-	583,903	590,642
667	900	13	49	-	1	-	1,630
-	-	555	-	-	-	-	881
667	900	568	49	-	1	-	2,511
-	-	-	-	-	-	-	20,117
-	-	-	-	-	-	774	774
-	500	-	4,694	586	467	590	13,572
-	500	-	4,694	586	467	1,364	34,463
8,411	6,931	568	4,793	50,586	468	627,649	5,471,369
-	-	-	3,878	-	-	-	3,878
-	-	-	-	24,011	-	-	24,011
-	-	764	-	-	-	-	764
-	-	764	3,878	24,011	-	-	28,653
-	-	-	-	-	-	-	33,000
-	-	-	-	-	-	-	7,973
-	-	-	-	-	-	-	48,461
-	-	-	-	-	-	-	69
-	-	-	-	-	-	-	47,606
-	-	-	-	-	-	-	29,158
-	-	-	-	-	-	-	133,267

Poweshiek County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2002

		Poweshiek County		
	Mental Health	Rural Services	Urban Renewal	Secondary Roads
Expenditures (continued):				
Operating:				
Mental Health Service Area:				
Persons with chronic mental illness:				
Coordination services	1,162	-	-	-
Personal and environmental support	4,562	-	-	-
Treatment services	37,822	-	-	-
Vocational and day services	2,270	-	-	-
Licensed or certified living arrangements	146,537	-	-	-
Institutional, hospital, and commitment services	113,336	-	-	-
	<u>305,689</u>	-	-	-
Persons with mental retardation:				
Coordination services	133,967	-	-	-
Personal and environmental support	46,114	-	-	-
Treatment services	1,808	-	-	-
Vocational and day services	192,916	-	-	-
Licensed or certified living arrangements	440,629	-	-	-
Institutional, hospital, and commitment services	77,965	-	-	-
	<u>893,399</u>	-	-	-
Persons with other developmental disabilities:				
Coordination services	1,590	-	-	-
Personal and environmental support	219	-	-	-
Vocational and day services	4,605	-	-	-
Licensed or certified living arrangements	8,035	-	-	-
	<u>14,449</u>	-	-	-
	<u>1,346,804</u>	-	-	-
County Environment Service Area:				
Environmental quality:				
Solid waste disposal	-	-	-	-
Environmental restoration	-	-	-	-
	-	-	-	-
Conservation and recreation services:				
Recreation and environmental education services	-	-	-	-

Resource Enhancement and Protection	County Recorder's Records Management	Sheriff/Jail	Special Law Enforcement	Contract Law Enforcement	County Attorney Forfeiture	Sanitary Disposal	Total
-	-	-	-	-	-	-	1,162
-	-	-	-	-	-	-	4,562
-	-	-	-	-	-	-	37,822
-	-	-	-	-	-	-	2,270
-	-	-	-	-	-	-	146,537
-	-	-	-	-	-	-	113,336
-	-	-	-	-	-	-	305,689
-	-	-	-	-	-	-	133,967
-	-	-	-	-	-	-	46,114
-	-	-	-	-	-	-	1,808
-	-	-	-	-	-	-	192,916
-	-	-	-	-	-	-	440,629
-	-	-	-	-	-	-	77,965
-	-	-	-	-	-	-	893,399
-	-	-	-	-	-	-	1,590
-	-	-	-	-	-	-	219
-	-	-	-	-	-	-	4,605
-	-	-	-	-	-	-	8,035
-	-	-	-	-	-	-	14,449
-	-	-	-	-	-	-	1,346,804
-	-	-	-	-	-	558,568	558,568
-	-	-	-	-	-	6,327	6,327
-	-	-	-	-	-	564,895	564,895
9,164	-	-	-	-	-	-	9,164

Poweshiek County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2002

	Poweshiek County			
	Mental Health	Rural Services	Urban Renewal	Secondary Roads
Expenditures (continued):				
Operating:				
County Environment Service Area:				
County development:				
Land use and building controls	-	4,250	-	-
Economic development	-	3,877	-	-
	-	8,127	-	-
	-	8,127	-	-
Roads and Transportation Service Area:				
Secondary roads administration and engineering:				
Administration	-	-	-	220,326
Engineering	-	-	-	148,782
	-	-	-	369,108
Roadway maintenance:				
Bridges and culverts	-	-	-	256,863
Roads	-	-	-	1,600,733
Snow and ice control	-	-	-	54,041
Traffic controls	-	-	-	61,664
Road clearing	-	-	-	114,256
	-	-	-	2,087,557
General roadway:				
Equipment	-	-	-	328,342
Equipment operations	-	-	-	610,845
Tool, materials, and supplies	-	-	-	194,449
Real estate and buildings	-	-	-	75,003
	-	-	-	1,208,639
	-	-	-	3,665,304
State and Local Government Services Service Area:				
Representation services:				
Township officials	-	4,476	-	-
State administrative services:				
Recording of public documents	-	-	-	-
	-	4,476	-	-

Resource Enhancement and Protection	County Recorder's Records Management	Sheriff/ Jail	Special Law Enforcement	Contract Law Enforcement	County Attorney Forfeiture	Sanitary Disposal	Total
-	-	-	-	-	-	-	4,250
-	-	-	-	-	-	-	3,877
-	-	-	-	-	-	-	8,127
9,164	-	-	-	-	-	564,895	582,186
-	-	-	-	-	-	-	220,326
-	-	-	-	-	-	-	148,782
-	-	-	-	-	-	-	369,108
-	-	-	-	-	-	-	256,863
-	-	-	-	-	-	-	1,600,733
-	-	-	-	-	-	-	54,041
-	-	-	-	-	-	-	61,664
-	-	-	-	-	-	-	114,256
-	-	-	-	-	-	-	2,087,557
-	-	-	-	-	-	-	328,342
-	-	-	-	-	-	-	610,845
-	-	-	-	-	-	-	194,449
-	-	-	-	-	-	-	75,003
-	-	-	-	-	-	-	1,208,639
-	-	-	-	-	-	-	3,665,304
-	-	-	-	-	-	-	4,476
-	6,135	-	-	-	-	-	6,135
-	6,135	-	-	-	-	-	10,611

Poweshiek County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2002

	Mental Health	Rural Services	Poweshiek County Urban Renewal	Secondary Roads
Expenditures (continued):				
Capital Projects Service Area:				
Roadway construction	-	-	-	8,285
Total expenditures	1,346,804	45,603	-	3,673,589
Excess (deficiency) of revenues over (under) expenditures	(152,500)	1,099,135	52,989	(1,293,657)
Other financing sources (uses):				
Sale of general fixed assets	-	-	-	43,281
Operating transfers in (out):				
General	-	-	-	120,536
Special Revenue:				
Rural Services	-	-	-	1,327,619
Secondary Roads	-	(1,327,619)	(50,000)	-
Sanitary Disposal	-	(30,328)	-	-
Poweshiek County Urban Renewal	-	-	-	50,000
Total other financing sources (uses)	-	(1,357,947)	(50,000)	1,541,436
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(152,500)	(258,812)	2,989	247,779
Fund balances beginning of year	947,074	695,601	208	1,161,365
Increase in reserve for prepaid expenditures	-	-	-	12,000
Fund balances end of year	\$ 794,574	436,789	3,197	1,421,144

See accompanying independent auditor's report.

Resource Enhancement and Protection	County Recorder's Records Management	Sheriff/Jail	Special Law Enforcement	Contract Law Enforcement	County Attorney Forfeiture	Sanitary Disposal	Total
-	-	-	-	-	-	-	8,285
9,164	6,135	764	3,878	24,011	-	564,895	5,674,843
(753)	796	(196)	915	26,575	468	62,754	(203,474)
-	-	-	-	-	-	-	43,281
-	-	-	-	(18,746)	-	-	101,790
-	-	-	-	-	-	30,328	1,357,947
-	-	-	-	-	-	-	(1,377,619)
-	-	-	-	-	-	-	(30,328)
-	-	-	-	-	-	-	50,000
-	-	-	-	(18,746)	-	30,328	145,071
(753)	796	(196)	915	7,829	468	93,082	(58,403)
47,993	27,501	898	2,145	-	-	722,217	3,605,002
-	-	-	-	-	-	-	12,000
47,240	28,297	702	3,060	7,829	468	815,299	3,558,599

Poweshiek County

Poweshiek County

Debt Service Fund

Statement of Revenues, Expenditures and
Changes in Fund Balance

Year ended June 30, 2002

Revenues:

Property and other County tax:

Property tax	\$	80,352	
Utility tax replacement excise tax		4,257	
Other		129	\$ 84,738
			<u> </u>

Intergovernmental:

State tax replacements:

State tax credits			5,796
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Use of money and property:

Interest on investments			968
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Total revenues			<u>91,502</u>
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Expenditures:

Debt Service Service Area:

Notes redeemed			86,046
Interest paid			13,936
Total expenditures			<u>99,982</u>

Deficiency of revenues under expenditures

(8,480)

Other financing sources:

Operating transfers in:

General			7,072
			<u> </u>

Deficiency of revenues and other financing sources under expenditures

(1,408)

Fund balance beginning of year

36,937

Fund balance end of year

\$ 35,529

See accompanying independent auditor's report.

Schedule 6

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

	Expendable Trust - Conservation Land Acquisition Trust	Agency	Total
Assets			
Cash and pooled investments:			
County Treasurer	\$ 38,779	1,008,346	1,047,125
Other County officials	-	25,988	25,988
Receivables:			
Property tax:			
Delinquent	-	47,273	47,273
Succeeding year	-	13,867,000	13,867,000
Accounts	3,279	12	3,291
Accrued interest	-	322	322
Special assessments	-	26,546	26,546
Due from other funds	-	184	184
Due from other governments	-	2,072	2,072
Total assets	\$ 42,058	14,977,743	15,019,801
Liabilities and Fund Equity			
Liabilities:			
Accounts payable	\$ 656	11,352	12,008
Salaries and benefits payable	-	317	317
Due to other funds	-	13,001	13,001
Due to other governments	-	14,922,325	14,922,325
Trusts payable	-	24,125	24,125
Compensated absences	-	6,623	6,623
Total liabilities	656	14,977,743	14,978,399
Fund equity:			
Unreserved fund balance	41,402	-	41,402
Total liabilities and fund equity	\$ 42,058	14,977,743	15,019,801

See accompanying independent auditor's report.

Poweshiek County
Expendable Trust Fund
Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended June 30, 2002

	Conservation Land Acuqisation Trust
Revenues:	
Intergovernmental:	
REAP grant	\$ 250,000
Charges for service	28,996
Use of money and property:	
Interest on investments	260
Land rent	1,000
	1,260
Miscellaneous:	
Donations	156,644
Total revenues	436,900
Expenditures:	
Capital Projects Service Area:	
Diamond Lake expansion	469,987
Truck purchase	13,995
Total expenditures	483,982
Deficiency of revenues under expenditures	(47,082)
Other financing sources:	
Installment purchase	13,995
Operating transfers in:	
General	32,000
Total other financing sources	45,995
Deficiency of revenues and other financing sources under expenditures	(1,087)
Fund balance beginning of year	42,489
Fund balance end of year	\$ 41,402

See accompanying independent auditor's report.

Poweshiek County
 Agency Funds
 Combining Balance Sheet
 June 30, 2002

	County Offices				
	Sanitary Disposal	County Auditor	County Recorder	County Sheriff	
Assets					
Cash and pooled investments:					
County Treasurer	\$	-	-	-	
Other County officials		100	-	19,683	
Receivables:				6,205	
Property tax:					
Delinquent		-	-	-	
Succeeding year		-	-	-	
Accounts		-	12	-	
Accrued interest		-	-	-	
Special assessments		-	-	-	
Due from other funds		-	-	184	
Due from other governments		-	2,072	-	
Total assets	\$	100	-	21,767	6,389
Liabilities					
Liabilities:					
Accounts payable	\$	-	35	-	
Salaries and benefits payable		-	-	-	
Due to other funds		100	-	12,717	
Due to other governments		-	6,943	-	
Trusts payable		-	-	6,205	
Compensated absences		-	-	-	
Total liabilities	\$	100	-	19,695	6,389

Agricultural Extension Education	County Assessor	Schools	Community Colleges	Corporations	Townships	Auto License and Use Tax
908	342,889	111,089	6,896	43,126	633	282,054
-	-	-	-	-	-	-
191	694	25,260	1,609	19,380	82	-
68,000	249,000	9,002,000	606,000	3,786,000	44,000	-
-	-	-	-	-	-	-
-	322	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
69,099	592,905	9,138,349	614,505	3,848,506	44,715	282,054
-	2,525	-	-	-	-	-
-	317	-	-	-	-	-
-	-	-	-	-	-	-
69,099	583,440	9,138,349	614,505	3,848,506	44,715	282,054
-	-	-	-	-	-	-
-	6,623	-	-	-	-	-
69,099	592,905	9,138,349	614,505	3,848,506	44,715	282,054

Poweshiek County
 Agency Funds
 Combining Balance Sheet
 June 30, 2002

	Brucellosis and Tuberculosis Eradication	Fire Districts	Emergency Management Services	Special Assessments
Assets				
Cash and pooled investments:				
County Treasurer	\$ 43	1,277	24,102	3,475
Other County officials	-	-	-	-
Receivables:				
Property tax:				
Delinquent	8	49	-	-
Succeeding year	3,000	109,000	-	-
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Special assessments	-	-	-	26,546
Due from other funds	-	-	-	-
Due from other governments	-	-	2,072	-
Total assets	3,051	110,326	26,174	30,021
Liabilities				
Liabilities:				
Accounts payable	-	-	10	-
Salaries and benefits payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	3,051	110,326	26,164	30,021
Trusts payable	-	-	-	-
Compensated absences	-	-	-	-
Total liabilities	\$ 3,051	110,326	26,174	30,021

See accompanying independent auditor's report.

Tax Sale Redemption	E911	Anatomical Gift Donations	Advance Tax	Total
9,647	173,840	94	8,273	1,008,346
-	-	-	-	25,988
-	-	-	-	47,273
-	-	-	-	13,867,000
-	-	-	-	12
-	-	-	-	322
-	-	-	-	26,546
-	-	-	-	184
-	-	-	-	2,072
9,647	173,840	94	8,273	14,977,743
-	8,782	-	-	11,352
-	-	-	-	317
-	-	-	-	13,001
-	165,058	94	-	14,922,325
9,647	-	-	8,273	24,125
-	-	-	-	6,623
9,647	173,840	94	8,273	14,977,743

Poweshiek County

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 2002

	County Offices			
	Sanitary Disposal	County Auditor	County Recorder	County Sheriff
Assets and Liabilities				
Balance beginning of year	\$ 100	2,757	18,376	13,995
Additions:				
Property and other County tax	-	-	-	-
E911 surcharge	-	-	-	-
State tax credits	-	-	-	-
State allocation	-	-	-	-
Driver license fees	-	-	-	-
Office fees and collections	-	-	270,255	61,490
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	-	-	-	149,931
Miscellaneous	-	-	-	-
Total additions	-	-	270,255	211,421
Deductions:				
Agency Remittances:				
To other funds	-	2,757	169,007	71,194
To other governments	-	-	99,929	615
Trusts paid out	-	-	-	147,218
Total deductions	-	2,757	268,936	219,027
Balance end of year	\$ 100	-	19,695	6,389

Agricultural Extension Education	County Assessor	Schools	Community Colleges	Corpor- ations	Townships	Auto License and Use Tax
68,351	554,050	8,442,287	575,916	3,606,132	45,788	319,609
71,754	261,424	9,448,235	637,359	3,903,495	46,625	-
-	-	-	-	-	-	-
4,913	17,457	602,616	37,606	281,906	3,004	-
-	3,865	-	-	-	-	-
-	-	-	-	-	-	49,282
-	6,740	-	-	-	-	-
-	-	-	-	-	-	4,460,966
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	5,644	-	-	-	-	-
76,667	295,130	10,050,851	674,965	4,185,401	49,629	4,510,248
-	-	-	-	-	-	146,041
75,919	256,275	9,354,789	636,376	3,943,027	50,702	4,401,762
-	-	-	-	-	-	-
75,919	256,275	9,354,789	636,376	3,943,027	50,702	4,547,803
69,099	592,905	9,138,349	614,505	3,848,506	44,715	282,054

Poweshiek County

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 2002

Assets and Liabilities	Brucellosis and Tuberculosis Eradication	Fire Districts	Emergency Management Services	Special Assess- ments
Balance beginning of year	3,062	97,573	29,483	40,698
Additions:				
Property and other County tax	3,378	115,097	-	-
E911 surcharge	-	-	-	-
State tax credits	234	6,183	-	-
State allocation	-	-	-	-
Driver license fees	-	-	-	-
Office fees and collections	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	48,804
Trusts	-	-	-	-
Miscellaneous	-	-	17,258	-
Total additions	3,612	121,280	17,258	48,804
Deductions:				
Agency Remittances:				
To other funds	-	-	-	120
To other governments	3,623	108,527	20,567	59,361
Trusts paid out	-	-	-	-
Total deductions	3,623	108,527	20,567	59,481
Balance end of year	3,051	110,326	26,174	30,021

See accompanying independent auditor's report.

Tax Sale Redemp- tion	E911	Anatomical Gift Donations	Advance Tax	Total
598	138,074	26	2,867	13,959,742
-	-	-	-	14,487,367
-	140,749	-	-	140,749
-	-	-	-	953,919
-	-	-	-	3,865
-	-	-	-	49,282
-	-	-	-	338,485
-	-	-	-	4,460,966
-	-	-	-	48,804
101,044	-	-	-	250,975
-	2,835	314	8,797	34,848
101,044	143,584	314	8,797	20,769,260
1,620	-	12	-	390,751
-	107,818	234	-	19,119,524
90,375	-	-	3,391	240,984
91,995	107,818	246	3,391	19,751,259
9,647	173,840	94	8,273	14,977,743

Schedule 10

Poweshiek County

Comparison of Taxes and Intergovernmental Revenues

	Years ended June 30,			
	2002	2001	2000	1999
Taxes:				
Property tax	\$ 3,483,716	3,296,451	3,389,410	3,208,805
Utility tax replacement excise tax	201,356	202,180	-	-
Other	4,084	4,125	4,181	3,698
	<u>3,689,156</u>	<u>3,502,756</u>	<u>3,393,591</u>	<u>3,212,503</u>
Intergovernmental:				
State shared revenues:				
Franchise tax	20,076	32,557	13,403	24,235
Road use tax	2,293,962	2,199,773	2,231,761	2,177,326
Other	13,766	24,201	12,016	5,112
State grants and reimbursements including indirect federal funding:				
Home care aide grant	54,190	61,077	79,730	80,944
Human services administration reimbursement	48,608	35,679	34,790	25,158
Federal emergency management assistance	-	-	-	26,287
Community development block grant	-	116,181	-	-
Social services block grant	74,378	75,250	76,587	77,120
REAP grant	250,000	-	-	-
Other	83,188	221,364	230,145	267,689
State tax replacements:				
State tax credits	245,875	290,211	265,107	248,106
State allocation	125,753	131,247	131,624	131,468
Mental health property tax relief	548,128	548,128	548,128	548,128
Other	116,194	189,112	116,089	70,196
Contributions and reimbursements from other governmental units	188,325	146,091	120,628	134,794
	<u>4,062,443</u>	<u>4,070,871</u>	<u>3,860,008</u>	<u>3,816,563</u>
Total	<u>\$ 7,751,599</u>	<u>7,573,627</u>	<u>7,253,599</u>	<u>7,029,066</u>

See accompanying independent auditor's report.

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

Poweshiek County



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

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

To the Officials of Poweshiek County:

We have audited the general purpose financial statements of Poweshiek County, Iowa, as of and for the year ended June 30, 2002, and have issued our report thereon dated November 15, 2002. Our report expressed a qualified opinion on the financial statements due to the omission of the general fixed assets account group and the materials and supplies inventories pertaining primarily to the Special Revenue Funds, which should be included in order to conform with U.S. generally accepted accounting principles. We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 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 item (11).

Internal Control Over Financial Reporting

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

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

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

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

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

November 15, 2002

Poweshiek County

Schedule of Findings

Year ended June 30, 2002

Findings Related to the General Purpose Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

REPORTABLE CONDITIONS:

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

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

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

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

Response - The Sheriff's office had trained an employee to provide additional control; however, the employee left. The office is again in the process of training a new employee to improve segregation of duties.

Conclusion - Response accepted.

Poweshiek County

Schedule of Findings

Year ended June 30, 2002

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

The County does not have written policies for:

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

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

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

Response - The Board accepts the recommendation.

Conclusion - Response acknowledged.

Poweshiek County

Schedule of Findings

Year ended June 30, 2002

Other Findings Related to Required Statutory Reporting:

- (1) Official Depositories - A resolution naming official depositories has been adopted by the Board. The maximum deposit amounts stated in the resolution were not exceeded during the year.
- (2) Certified Budget - Disbursements during the year ended June 30, 2002 did not exceed the amounts budgeted.
- (3) Questionable Expenditures - No expenditures that we believe may not meet the requirements of public purpose as defined in the Attorney General's opinion dated April 25, 1979 were noted.
- (4) Travel Expense - No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- (5) Business Transactions - No business transactions between the County and County officials or employees were noted.
- (6) Bond Coverage - Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of all coverage should be reviewed annually to ensure that the coverage is adequate for current operations.
- (7) Board Minutes - No transactions were found that we believe should have been approved in the Board minutes but were not. Although minutes of the April 1, 2002 Board proceedings were published, they were not published within the time period required by Chapter 349.18 of the Code of Iowa.

Recommendation - The County should ensure that minutes are published as required.

Response - The Board accepts the recommendation.

Conclusion - Response acknowledged.

- (8) Deposits and Investments - No instances of non-compliance with the deposit and investments provisions of Chapter 12B and 12C of the Code of Iowa and the County's investment policy were noted.
- (9) Resource Enhancement and Protection Certification - The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- (10) County Extension Office - The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an extension Council separate and distinct from County operations and, consequently, is not included in Exhibits A or B.

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

Poweshiek County

Schedule of Findings

Year ended June 30, 2002

- (11) Capital Lease Purchase Agreements – During the year ended June 30, 2002, the County entered into a capital lease purchase agreement for the purchase of an excavator for the Secondary Roads department. However, a public hearing was not held prior to the authorization of this lease purchase agreement as required by Chapters 331.301(10)(e) or 331.478 and 331.479 of the Code of Iowa.

Recommendation – The County should consult legal counsel for the disposition of this matter. In the future, the County should hold a public hearing prior to the authorization of a lease purchase agreement as required by with Chapter 331.301(10)(e) or Chapters 331.478 and 331.479 of the Code of Iowa.

Response – The Board accepts the recommendation.

Conclusion – Response acknowledged.

- (12) Deferred Payment Contract Agreement – During the year ended June 30, 2002, the County entered into a deferred payment contract agreement for the purchase of land and a building for the Mental Health CPC office. However, a public hearing was not held prior to the authorization of this deferred payment contract agreement as required by Chapters 331.301(10)(e) or 331.478 and 331.479 of the Code of Iowa.

Recommendation – The County should consult legal counsel for the disposition of this matter. In the future, the County should hold a public hearing prior to the authorization of a deferred payment contract agreement as required by with Chapter 331.301(10)(e) or Chapters 331.478 and 331.479 of the Code of Iowa.

Response – The Board accepts the recommendation.

Conclusion – Response acknowledged.

- (13) Conservation Land Acquisition Trust Fund – Chapter 350.6 of the Code of Iowa establishes a reserve for county conservation land acquisition and capital improvement projects. During the year ended June 30, 2002, the County made two expenditures for \$5,599 and \$4,320 from this fund that were not related to land acquisition or capital improvement projects.

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

Response – The Board accepts the recommendation. We will visit with the Conservation Board members regarding this issue.

Conclusion – Response acknowledged.

Poweshiek County

Schedule of Findings

Year ended June 30, 2002

- (14) Transfers – Chapter 331.429 of the Code of Iowa establishes a maximum allowable transfer amount from the Special Revenue, Rural Services Fund to the Special Revenue, Secondary Roads Fund. During the year ended June 30, 2002, the maximum allowable amount was exceeded.

Recommendation – The County should comply with Chapter 331.429 of the Code of Iowa.

Response – The Auditor will review the audited information and make adjustments.

Conclusion – Response accepted.

Poweshiek County

Staff

This audit was performed by:

Steven M. Nottger, CPA, Manager
Selina V. Johnson, CPA, Senior Auditor
Lora A. Van Essen, CPA, Staff Auditor
Jedd D. Moore, Assistant Auditor

Andrew E. Nielsen, CPA
Deputy Auditor of State