

**HARRISON COUNTY, IOWA
Independent Auditors' Report
Basic Financial Statements
and
Supplementary Information
Schedule of Findings and
Questioned Costs
June 30, 2004**

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HARRISON COUNTY, IOWA

COUNTY OFFICIALS

Name	Title	Term Expires
Rolland A. Roberts	Board of Supervisors	January 2008
Larry D. King	Board of Supervisors	January 2006
Robert V. Smith	Board of Supervisors	January 2006
Susan E. Bonham	County Auditor	January 2008
Vicki Argotsinger	County Treasurer	January 2006
Lorie A. Thompson	County Recorder	January 2006
Terry A. Baxter	County Sheriff	January 2008
Judson Frisk	County Attorney	January 2006
Dennis Alvis	County Assessor	January 2009



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INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Harrison County, Iowa

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of HARRISON COUNTY, IOWA, as of and for the year ended June 30, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of Harrison County's management. Our responsibility is to express an opinion on these 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, 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Harrison County at June 30, 2004, and the results of its operations for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated November 4, 2004 on our consideration of Harrison County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. Those reports are an integral part of an audit performed in accordance with Governmental Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis, pages 4 through 8, and budgetary comparison information on pages 32 through 33 are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Harrison County's basic financial statements. The supplementary information including the combining nonmajor financial statements and supplemental data as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the 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 financial statements taken as a whole.

Williams & Company P.C.
Certified Public Accountants

Onawa, Iowa
November 4, 2004

HARRISON COUNTY, IOWA
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2004

As the Board of Supervisors of Harrison County, Iowa, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2004. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

FINANCIAL HIGHLIGHTS

- During the year, the county had expenses of \$10,274,956, which was \$1,018,540 less than the prior year.
- The County collected \$18,745,588 in property taxes and tax credits. Of that amount, the County retained \$5,913,653 to finance County operations. This was a 6.7% increase from last year.
- The County received \$2,316,431 in road use tax allocation, which was \$597,850 less than last year.
- Interest on Investments during the year was \$185,799, which was down from last year's total of \$264,786.
- The County's total debt increased by \$230,000 during the current fiscal year. The key factor in this increase was the issuance of \$560,000 of General Obligation Bonds for the installation of a new HVAC system for the Courthouse.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

REPORTING THE COUNTY AS A WHOLE

One of the most important questions asked about the County's finances is, "is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net assets and changes in them. You can think of the County's net-assets – the difference between assets and liabilities – as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the County's property tax base and the condition of the County's roads, to assess the overall health of the County.

In the Statement of Net Assets and the Statement of Activities the County's governmental activities are displayed. Governmental activities include public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, government services to residents, administration or general government and interest on long-term debt. Property taxes and state and federal grants finance most of these activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about the most significant funds – not the County as a whole. Some funds are required to be established by State law and by bond covenants. However the County establishes many other funds to help it control and manage money for particular purposes.

Harrison County has two kinds of funds: Governmental funds and Fiduciary funds.

Governmental funds account for most of the County's basic services. These focus on how money flows into and out of those funds, and the balances left at year-end that are available for spending. These governmental funds may include: (1) the general fund (general basic and general supplemental), (2) the special revenue funds such as mental health, rural services, secondary roads and others, (3) the debt service fund, and (4) the capital projects fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

The governmental funds required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

Fiduciary funds are used to report assets held in a trust or agency capacity for others and cannot be used to support the government's own programs. These fiduciary funds include agency funds that account for employee health insurance, drainage districts, emergency management services, and the county assessor.

The fiduciary funds require financial statements to include a statement of fiduciary assets and liabilities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of financial position. Harrison County's net assets for fiscal year ending June 30, 2004 total \$22,918,010. The analysis that follows focuses on the changes of the net assets for our governmental activities:

Net Assets of Governmental Activities

	<u>2004</u>	<u>2003</u>
Current and Other Assets	\$ 18,336,959	\$ 18,482,188
Capital Assets	<u>15,281,012</u>	<u>7,665,560</u>
TOTAL ASSETS	<u>33,617,971</u>	<u>26,147,748</u>
Long Term Debt Outstanding	3,705,000	3,475,000
Other Liabilities	<u>6,994,961</u>	<u>6,647,568</u>
TOTAL LIABILITIES	<u>10,699,961</u>	<u>10,122,568</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	13,311,012	6,145,560
Restricted	1,764,205	3,521,122
Unrestricted	<u>7,842,793</u>	<u>6,358,498</u>
TOTAL NET ASSETS	\$ <u>22,918,010</u>	\$ <u>16,025,180</u>

The largest portion of the County's net assets is the Invested in Capital Assets (land, infrastructure, buildings, and equipment), less the related debt. The debt related to the investment in Capital Assets is liquidated with sources other than capital assets, since they are unavailable for future spending. Restricted net assets represent resources that are subject to external restrictions, constitutions provisions, or enabling legislation on how they can be used. Unrestricted net assets are the part of the net assets that can be used to finance day-to-day operations without constraints established by debt covenants, legislation, or other legal requirements.

Changes in Net Assets of Governmental Activities
June 30, 2004

REVENUES

Program Revenues	
Charges for Services	\$ 1,379,268
Program Revenues, Operating Grants and Contributions and Interest	475,809
Capital Grants and Contributions	5,573,449
General Revenues	
Property Taxes	5,105,129
Penalty and Interest on Taxes	64,713
State Tax Credits	293,178
Local Option Sales Tax	399,932
Road Use Tax	2,316,431
Unrestricted Investment Earnings	185,799
Other General Revenues	<u>1,507,005</u>
Total Revenues	17,300,713

PROGRAM EXPENSES

Public Safety and Legal Services	2,039,960
Physical Health and Social Services	1,338,146
Mental Health and MH & DD	1,455,268
County Environment and Education	1,749,735
Roads and Transportation	3,084,674
Government Services to Residents	399,199
Administration	169,285
Interest on Long-Term Debt	<u>180,892</u>
Total Expenses	10,417,159
Change in Net Assets	6,883,554
Net Assets Beginning of Year	<u>16,034,456</u>
Net Assets End of Year	<u>\$ 22,918,010</u>

Harrison County's January 1, 2003 taxable valuation (payable in fiscal year 2004-2005) was \$597,389,775, an increase from the previous year of \$9,027,588. This increase was due to revaluation and new construction.

Harrison County decreased their levy rate per \$1,000 by \$.02030 as shown on the following chart of property tax rates from fiscal year ending June 30, 2003 to fiscal year ending June 30, 2004.

	<u>Fy 04</u>	<u>Fy 03</u>
General Basic/General Supplemental	\$ 5.04003	\$4.86324
MH-DD	1.33916	1.35960
Rural Basic	3.17196	3.33767
Debt Service	<u>.28348</u>	<u>.29442</u>
TOTAL	<u>\$ 9.83463</u>	<u>\$ 9.85493</u>

INDIVIDUAL MAJOR FUND ANALYSIS

Harrison County completed the year with its governmental funds reporting a combined balance of \$11,847,742. This is \$792,255 less than the combined fund balance of fiscal year ending June 30, 2003.

The General fund ended the year with a balance of \$2,605,335, a \$75,853 decrease from the fiscal year ending June 30, 2003 fund.

The MH-DD fund had an ending balance of \$462,463. This is an increase of \$90,325 from the previous year.

The Rural Services fund had an ending balance of \$1,390,398. This is a \$95,714 increase over fiscal year ending June 30, 2003 fund balance.

Secondary Roads ended fiscal year ending June 30, 2004 with a balance of \$5,274,482 which was a \$915,373 decrease from fiscal year ending June 30, 2003.

The Debt Service had a fiscal year ending June 30, 2004 ending balance of \$1,725,704. In fiscal year ending June 30, 2003, the ending fund balance was 1,954,407.

The Capital Projects Fund had an ending balance of \$129,195 which will be used to pay the final cost of the HVAC System.

GENERAL BUDGETARY HIGHLIGHTS

The Harrison County budget was amended in May, 2004. The amendment included increasing the revenues by \$1,182,430. When broken down, the increase reflects \$457,330 for the Intergovernmental revenues (grants and reimbursements); \$48,000 for Charges for Service; \$55,000 for use of Money and Property; \$72,100 for Miscellaneous; and \$550,000 for General Long-term Debt Proceeds.

On the expense side, the amendment increases included \$35,000 under Public Safety; \$129,909 for Physical Health and Social Services; \$180,000 for MH-DD; \$30,074 for County Environment and Education; \$(39,342) decrease in Roads and Transportation; \$8,000 for Governmental Services; \$119,600 for Administration; \$50,000 in Debt Service; and \$452,618 for Capital Projects (a portion of the HVAC project and Secondary Roads).

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Harrison County ended fiscal year ending June 30, 2004 with approximately \$15,281,012 invested in a broad range of capital assets. This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, and bridges.

Depreciation expense of \$541,543 and the total accumulated depreciation of \$4,485,538 were reported as of June 30, 2004.

Debt

Harrison County had the following general obligation bonds outstanding as of the end of fiscal year ending June 30, 2004.

1996	\$1,415,000	Solid Waste Disposal
1999	\$1,410,000	Law Enforcement Center
2000	\$230,000	Solid Waste Disposal
2001	\$90,000	Solid Waste Disposal
2003	\$560,000	Courthouse HVAC System

The bonds for the Solid Waste Disposal are for the Harrison County Landfill Commission. They are operated under a 28E agreement among the County and all 10 cities within the County. The Harrison County Landfill Commission is responsible for their debt. However, because these notes are General Obligation debt, the County will record all debt and related payments to their annual financial report and record an offsetting receivable in the Debt Service fund.

In December 2003, the County issued General Fund Loan Notes in the amount of \$560,000 for a geothermal heating and cooling system for the Courthouse. The debt will mature in December 2013.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Harrison County's Board of Supervisors considered many factors for the fiscal year 2005 budget. Taxable valuations were reduced approximately \$60 million due to the State's Equalization Notice that ordered Agricultural Land and Outbuildings reduced by 26%. The same notice ordered Residential Realty to be increased by 12%. While working on the budget, all County departments agreed to a wage

freeze for 2004-05, and General fund departments helped by cutting their expenses by 5%. With these budget cutting measures, the Board still had no choice but to increase the tax rate by \$1.75.

The population of Harrison County increased by one from the 15,666 as reported on the 2000 census to 15,667 from the estimated 2003 census. Unemployment for the County was 4.9% as reported on the August 2004 monthly report by the Iowa Workforce Development.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Harrison County Auditor's office, Harrison County, 111 North Second Avenue, Logan, Iowa 51546.

HARRISON COUNTY, IOWA
Statement of Net Assets
June 30, 2004

	Governmental Activities
ASSETS	
Cash and Pooled Investments	\$ 7,951,116
Receivables	
Accounts	103,489
Property Tax	
Delinquent	69,415
Succeeding Year	5,478,453
Accrued Interest	16,214
Notes (Note 12)	1,735,000
Drainage Assessments	82
Due from Other Governments	242,689
Prepaid Maintenance	30,300
Prepaid Insurance	30,899
Inventories	2,669,992
Bond Issuance Costs	9,310
Construction in Progress (Note 7)	1,950,371
Land (Note 7)	1,477,606
Infrastructure, Property and Equipment, Net of Accumulated Depreciation (Note 7)	11,853,035
Total Assets	33,617,971
LIABILITIES	
Accounts Payable	419,711
Accrued Interest Payable	28,716
Salaries and Benefits Payable	49,358
Compensated Absences	343,682
Due to Other Governments (Note 8)	259,096
Deferred Revenue	
Succeeding Year Property Tax	5,478,453
Other	82
Long-Term Liabilities (Note 9)	
Portion Due or Payable Within One Year	
General Obligation Bonds	395,000
Portion Due or Payable After One Year	
General Obligation Bonds	3,310,000
Compensated Absences	206,734
Drainage Warrants Payable	209,129
Total Liabilities	10,699,961
NET ASSETS	
Invested in Capital Assets, Net of Related Debt (Note 7)	13,311,012
Restricted for	
Debt Service	1,727,945
Resource Enhancement and Protection	20,412
Conservation Land Acquisition	15,848
Unrestricted	7,842,793
Total Net Assets	\$ 22,918,010

HARRISON COUNTY, IOWA
Statement of Activities
For the Year Ended June 30, 2004

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
Functions/Programs					
Governmental Activities					
Public Safety and Legal Services	\$ 2,039,960	\$ 208,442	\$ 27,840	\$ -	\$ (1,803,678)
Physical Health and Social Services	1,338,146	565,851	447,969	-	(324,326)
Mental Health	1,455,268	-	-	-	(1,455,268)
County Environment and Education	1,744,685	162,102	-	-	(1,582,583)
Roads and Transportation	3,084,674	143,628	-	5,573,449	2,632,403
Government Services to Residents	399,199	294,349	-	-	(104,850)
Administrative Services	174,335	4,896	-	-	(169,439)
Interest on Long-Term Debt	180,892	-	-	-	(180,892)
Total	\$ 10,417,159	\$ 1,379,268	\$ 475,809	\$ 5,573,449	(2,988,633)
General Revenues					
Property and Other County Tax Levied for					4,940,024
General Purpose					165,105
Debt Service					64,713
Penalty and Interest on Property Tax					293,178
State Tax Credits					399,932
Local Option Sales Tax					2,316,431
Road Use Tax					184,368
Drainage Assessments					810,159
General Intergovernmental Revenue					185,799
Unrestricted Investment Earnings					42,467
Reimbursement Private Sources					470,011
Miscellaneous					9,872,187
Total General Revenues					6,883,554
Change in Net Assets					16,034,456
Net Assets - Beginning of Year, as Restated (Note 14)					\$ 22,918,010
Net Assets - End of Year					

See Accompanying Notes to Financial Statements

HARRISON COUNTY, IOWA

**Balance Sheet
Governmental Funds
June 30, 2004**

	General	Special Revenue Funds	
		Rural Services	Secondary Roads
Assets			
Cash and Pooled Investments	\$ 2,394,507	\$ 1,378,415	\$ 2,929,779
Receivables			
Accounts	46,284	9,333	28,628
Property Tax			
Delinquent	41,156	15,482	
Succeeding Year	3,155,634	1,174,570	
Accrued Interest	16,214		
Notes			
Drainage Assessments			
Interfund Receivables	123,847		
Due from Other Governments	122,926		41,692
Advance to Other Funds	50,000		
Inventories			2,669,992
Prepaid Maintenance	30,300		
Prepaid Insurance	30,899		
Total Assets	<u>6,011,767</u>	<u>2,577,800</u>	<u>5,670,091</u>
Liabilities and Fund Equity			
Liabilities			
Accounts Payable	62,455		154,052
Interest Payable			
Salaries and Benefits Payable	13,517		35,841
Compensated Absences	138,387		205,295
Interfund Payables			
Due to Other Governments	2,001		421
Advance from Other Funds			
Deferred Revenue			
Succeeding Year Property Tax	3,155,634	1,174,570	
Other	34,438	12,832	
Total Liabilities	<u>3,406,432</u>	<u>1,187,402</u>	<u>395,609</u>
Fund Balances			
Reserved for			
Inventories			2,669,992
Prepaid Maintenance	30,300		
Prepaid Insurance	30,899		
Debt Service			
Resource Enhancement and Protection			
Conservation Land Acquisition			
Unreserved, Reported In			
General Fund	2,544,136		
Special Revenue Funds		1,390,398	2,604,490
Capital Project Fund			
Total Fund Balances	<u>2,605,335</u>	<u>1,390,398</u>	<u>5,274,482</u>
Total Liabilities and Fund Balances	<u>\$ 6,011,767</u>	<u>\$ 2,577,800</u>	<u>\$ 5,670,091</u>

See Accompanying Notes to Financial Statements

Special Revenue Funds					
Mental Health	Shadow Valley TIF	Debt Service	Capital Projects	Other Governmental Funds	Total
\$ 679,511	\$ 18,290		\$ 271,398	\$ 279,216	\$ 7,951,116
2,948				16,296	103,489
10,188		\$ 2,589			69,415
886,427	29,010	232,812			5,478,453
		1,735,000			16,214
					1,735,000
				82	82
					123,847
				78,071	242,689
					50,000
					2,669,992
					30,300
					30,899
<u>1,579,074</u>	<u>47,300</u>	<u>1,970,401</u>	<u>271,398</u>	<u>373,665</u>	<u>18,501,496</u>
42,764			142,203	18,237	419,711
				13,400	13,400
					49,358
					343,682
		9,644		5,000	14,644
178,603				187,274	368,299
				50,000	50,000
886,427	29,010	232,812			5,478,453
8,817		2,241		82	58,410
<u>1,116,611</u>	<u>29,010</u>	<u>244,697</u>	<u>142,203</u>	<u>273,993</u>	<u>6,795,957</u>
					2,669,992
					30,300
					30,899
		1,725,704			1,725,704
				20,412	20,412
				15,848	15,848
					2,544,136
462,463	18,290			63,412	4,539,053
			129,195		129,195
<u>462,463</u>	<u>18,290</u>	<u>1,725,704</u>	<u>129,195</u>	<u>99,672</u>	<u>11,705,539</u>
<u>\$ 1,579,074</u>	<u>\$ 47,300</u>	<u>\$ 1,970,401</u>	<u>\$ 271,398</u>	<u>\$ 373,665</u>	<u>\$ 18,501,496</u>

Harrison County, Iowa

HARRISON COUNTY, IOWA
Reconciliation of The Balance Sheet of Governmental Funds
To The Statement of Net Assets
For the Year Ended June 30, 2004

Total Governmental Fund Balances (page 12)	\$	11,705,539
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Amounts reported for governmental activities in the statement of net assets are different because:

Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of these assets are \$19,766,550 and the accumulated depreciation is \$4,485,538.		15,281,012
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Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the funds. This is current deferred revenue on delinquent property tax.		58,328
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Bond issue cost is reported in the governmental activities but are not reported in the funds as they do not provide current economic resources.		9,310
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Bonds payable for the landfill are not due and payable in the current period and, therefore, are not reported in the funds.		(1,735,000)
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Long-term liabilities, including bonds payable, accrued interest payable and compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(2,401,179)
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Total Net Assets - Governmental Activities (page 9)	\$	<u>22,918,010</u>
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HARRISON COUNTY, IOWA
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2004

	Special Revenue		
	General	Rural Services	Secondary Roads
Revenue			
Property and Other County Tax	\$ 2,860,965	\$ 1,404,265	\$ 299,949
Penalty and Interest on Property Tax	64,713		
Intergovernmental Revenue	669,408	66,039	2,326,143
Licenses and Permits	22,815		
Charges for Services	1,115,888		143,628
Use of Money and Property	185,324		
Miscellaneous	268,875		97,939
Total Revenue	<u>5,187,988</u>	<u>1,470,304</u>	<u>2,867,659</u>
Expenditures			
Current			
Public Safety and Legal Services	1,680,561		
Physical Health and Social Services	1,328,820		
Mental Health			
County Environment and Education Services	605,108	157,590	
Roads and Transportation			4,555,537
Governmental Services to Residents	383,434		
Administrative Services	1,056,759		
Debt Service			
Principal			
Interest			
Capital Projects	149,898		84,781
Total Expenditures	<u>5,204,580</u>	<u>157,590</u>	<u>4,640,318</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(16,592)</u>	<u>1,312,714</u>	<u>(1,772,659)</u>
Other Financing Sources (Uses)			
Proceeds From Debt Financing			
Operating Transfers In			1,314,560
Operating Transfers Out	(97,560)	(1,217,000)	
Total Other Financing Sources (Uses)	<u>(97,560)</u>	<u>(1,217,000)</u>	<u>1,314,560</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(114,152)</u>	<u>95,714</u>	<u>(458,099)</u>
Fund Balances (Deficit) - Beginning of Year	2,681,188	1,294,684	6,189,855
Increase in Reserve for			
Prepaid Maintenance	7,400		
Prepaid Insurance	30,899		
Decrease in Reserve for			
Inventory			(457,274)
Fund Balances - End of Year	<u>\$ 2,605,335</u>	<u>\$ 1,390,398</u>	<u>\$ 5,274,482</u>

See Accompanying Notes to Financial Statements

Special Revenue					
Mental Health	Shadow Valley TIF	Debt Service	Capital Projects	Other Governmental Funds	Total
\$ 760,224	\$ 18,386	\$ 164,543			\$ 5,508,332
779,537		8,910	6,100	\$ 49,152	64,713
					3,905,289
				119,752	22,815
				475	1,379,268
5,832		106,258	662	194,465	185,799
<u>1,545,593</u>	<u>18,386</u>	<u>279,711</u>	<u>6,762</u>	<u>363,844</u>	<u>11,740,247</u>
				129,070	1,809,631
					1,328,820
1,455,268					1,455,268
	10,806			221,424	994,928
					4,555,537
					383,434
					1,056,759
		330,000			330,000
		178,414			178,414
			437,496	60,040	732,215
<u>1,455,268</u>	<u>10,806</u>	<u>508,414</u>	<u>437,496</u>	<u>410,534</u>	<u>12,825,006</u>
<u>90,325</u>	<u>7,580</u>	<u>(228,703)</u>	<u>(430,734)</u>	<u>(46,690)</u>	<u>(1,084,759)</u>
			560,000		560,000
					1,314,560
					(1,314,560)
			<u>560,000</u>		<u>560,000</u>
90,325	7,580	(228,703)	129,266	(46,690)	(524,759)
372,138	10,710	1,954,407	(71)	146,362	12,649,273
					7,400
					30,899
					(457,274)
<u>\$ 462,463</u>	<u>\$ 18,290</u>	<u>\$ 1,725,704</u>	<u>\$ 129,195</u>	<u>\$ 99,672</u>	<u>\$ 11,705,539</u>

HARRISON COUNTY, IOWA
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2004

Net Change in Fund Balances - Total Governmental Funds (page 15) \$ (524,759)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays, including infrastructure, as expenditures while governmental activities report depreciation expense to allocate those expenditures over the estimated useful life of the asset. Capital outlays exceeded depreciation expense in the current year as follows:

Expenditures for capital assets	\$ 2,593,258	
Depreciation expense	<u>(541,543)</u>	2,051,715

Infrastructure received from State of Iowa as Transfers of Jurisdiction are not financial resources and, therefore, are not reported in the funds. Current year transfers were:

Land	764,190	
Infrastructure	<u>4,799,547</u>	5,563,737

Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are deferred in the governmental funds.

Property Tax		(3,271)
--------------	--	---------

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Current year debt repayments:

Principal Payments		330,000
--------------------	--	---------

Payment of certain expenditures are recorded in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Compensated Absences	273,561	
Drainage Warrants	<u>\$ 164,714</u>	438,275

Proceeds from bond issues is recorded as revenue in the governmental funds but the proceeds increases long-term liabilities in the Statement of Net Assets. Current year proceeds:

Bond Proceeds		(560,000)
---------------	--	-----------

The effect of bond issuance cost when new debt is issued, whereas, these amounts are deferred and amortized in the Statement of Activities

9,310

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds as follows:

Interest on long-term debt		(2,478)
----------------------------	--	---------

Prepaid expenses in the governmental funds have been recorded as expenditures when paid. However, the Statement of Activities will report these items as expenditures in the period that the corresponding net asset is exhausted.

(418,975)

Change in Net Assets of Governmental Activities (page 10)

\$ 6,883,554

HARRISON COUNTY, IOWA
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2004

Assets

Cash and Pooled Investments		
County Treasurer	\$	798,432
Other County Officials		43,256
Receivables		
Accounts		21,902
Property Tax		
Delinquent		124,587
Succeeding Year		11,486,070
Special Assessments		13,137
Current Drainage Assessments		124
Future Drainage Assessments		63,242
Due from Other Governments		14,212
Total Assets		<u>12,564,962</u>

Liabilities

Accounts Payable		163,681
Interest Payable		5,078
Salaries and Benefits Payable		3,021
Due to Other Governments		12,365,175
Trusts Payable		12,071
Compensated Absences		15,936
Total Liabilities	\$	<u>12,564,962</u>

Net Assets

-

HARRISON COUNTY, IOWA
Notes to Financial Statements
June 30, 2004

Note 1 - Summary of Significant Accounting Policies

Harrison County, Iowa 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.

The County's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

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

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

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

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

Jointly Governed Organizations - The County also participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Harrison County Assessor's Conference Board, Region XIII Southwest Iowa Planning Council (SWIPCO), Harrison County Emergency Management Commission, Harrison County Joint E-911 Service Board, Harrison County Landfill Commission and Multi-County 28E Agreement Regarding Juvenile Detention Center and Emergency Juvenile Services.

HARRISON COUNTY, IOWA
Notes to Financial Statements
June 30, 2004

Note 1 - Summary of Significant Accounting Policies - (Continued)

The financial transactions of these organizations are included in the County's financial statements except for Harrison County Assessor's Conference Board, Region XIII Southwest Iowa Planning Council (SWIPCO), Harrison County Emergency Management Commission, Harrison County Joint E911 Service Board, and Harrison County Landfill Commission. 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 organizations and, as such, are reported in Agency Funds of the County.

B. Basis of Presentation

Government-Wide Financial Statements – The statement of net assets and the statement of activities report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenues, and other nonexchange transactions.

The statement of net assets presents the County's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories.

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management, but can be removed or modified.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other nonmajor governmental funds.

The County reports the following major governmental funds:

HARRISON COUNTY, IOWA
Notes to Financial Statements
June 30, 2004

Note 1 - Summary of Significant Accounting Policies - (Continued)

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

1. The Rural Services Fund is used to account for property tax and other revenues to provide services which are primarily intended to benefit those persons residing in the county outside of incorporated city areas.
2. The Secondary Roads Fund is used to account for secondary road construction and maintenance.
3. The Mental Health Fund is used to account for property tax and other revenues designated to be used to fund mental health, mental retardation, and developmental disabilities services.
4. Shadow Valley TIF is used to account for tax increments financial revenues for the Shadow Valley TIF district.

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

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

Fiduciary Funds - The Trust and Agency Funds are used to account for assets received and held by the County in a trustee capacity or as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds. These include Expendable Trust Funds and Agency Funds. Expendable Trust Funds are accounted for in essentially the same manner as Governmental Funds. Agency Funds are custodial in nature, assets equal liabilities, and do not involve measurement of results of operations.

- a) Board of Supervisors, County Recorder, County Sheriff, Agricultural Extension, County Assessor, Schools, Area Schools, Corporations, Townships, Future Tax Payments, Auto License and Use Tax, City Special Assessment, Brucellosis and Tuberculosis Eradication, Drainage District, Emergency Management Services, Rural Tax Sale Redemption, E-911 Service Commission, Preservation Commission, Cafeteria Plan, Driver's License Trust, Future Tax Holding, Self Funded Health Insurance - To account for the collection of various revenue sources, including property taxes, auto licenses, payroll withholding, and special assessments, and the apportioning and disbursing of such funds to the applicable taxing authorities.

C. Measurement Focus and Basis of Accounting

The government-wide fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

HARRISON COUNTY, IOWA
Notes to Financial Statements
June 30, 2004

Note 1 - Summary of Significant Accounting Policies - (Continued)

Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days after the year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the County.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursements grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursements grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Assets, Liabilities, and Fund Equity

Cash and Temporary Investments - 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 and the Treasurer of the State of Iowa; 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.

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.

HARRISON COUNTY, IOWA
Notes to Financial Statements
June 30, 2004

Note 1 - Summary of Significant Accounting Policies - (Continued)

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1 ½% per month penalty for delinquent payments; is based on January 1, 2002 assessed property valuations; is for the tax accrual period July 1, 2003 through June 30, 2004 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2003.

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

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

Interfund Activity - During the course of 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, 2004, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Advances To/From Other Funds – During the course of the operations, the General Fund advanced \$50,000 to the Conservation Land Acquisition Fund for the purpose of construction of a cabin. This advance will be repaid as funds are available.

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

Inventories and Capital Assets

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

Capital Assets – Capital assets, which include property, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the government), are reported in the governmental activities column in the government-wide statement of net assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

HARRISON COUNTY, IOWA
Notes to Financial Statements
June 30, 2004

Note 1 - Summary of Significant Accounting Policies - (Continued)

Infrastructure	\$ 50,000
Land, Buildings and Improvements	5,000
Equipment and Vehicles	5,000

Property and equipment of the County is depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings and Improvements	25 – 50
Infrastructure	10 – 65
Equipment	3 – 20
Vehicles	5 – 15

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

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

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

Deferred revenue on the statement of net assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and unspent grant proceeds.

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2004. The compensated absences liability attributable to the governmental activities will be paid primarily by the General, Mental Health, Rural Services, and Secondary Roads Funds.

Long-Term Liabilities – In the government-wide financial statements and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of assets. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

HARRISON COUNTY, IOWA
Notes to Financial Statements
June 30, 2004

Note 1 - Summary of Significant Accounting Policies - (Continued)

Fund Equity – In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

E. Budgets and Budgetary Accounting

The budgetary comparison and relate disclosures are reported as Required Supplementary Information. During the year ended June 30, 2004, disbursements exceeded the amounts budgeted in the Roads and Transportation and Debt Service areas and disbursements in certain departments exceeded the amounts appropriated.

Note 2 - Cash and Pooled Investments

The County's deposits at June 30, 2004 were entirely covered by federal depository insurance collateralized with securities or letter of credit held by the County or the County's agent in the County's name, or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the members of the pool 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 deposits at June 30, 2004 are shown below:

	<u>Carrying</u> <u>Value</u>	<u>Bank</u> <u>Balance</u>
Cash on Hand	\$ 1,160	
Demand Deposits/Savings Accounts	4,920,125	\$ 4,864,016
Time Deposits	<u>4,753,401</u>	<u>4,753,401</u>
Total	<u>\$ 9,674,686</u>	<u>\$ 9,617,417</u>

Note 3 - Pension and Retirement

Iowa Public Employees Retirement System -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 salary and the County is required to contribute 5.75% of annual covered payroll except for law enforcement employees, in which case the percentages are 5.37% and 8.05%, respectively and protected occupations such as the conservation department, whose percentages are 6.04% and 9.07%, respectively. Contribution requirements are established by State statute. The County's contributions to IPERS for the years ended June 30, 2004, 2003 and 2002 were \$233,208, \$223,534, and \$211,160, respectively, equal to the required contributions for each year.

HARRISON COUNTY, IOWA
Notes to Financial Statements
June 30, 2004

Note 4 - Local Government Risk Pool

Harrison County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool with over 400 members that include various 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 contribution to the Pool for the year ended June 30, 2004 was \$208,459.

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 official's liability risk 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 of casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the members' 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, 2004, no liability has been recorded in the County's financial statements. As of June 30, 2004, settled claims have not exceeded the risk pool or reinsurance coverage since the pool's inception.

HARRISON COUNTY, IOWA
Notes to Financial Statements
June 30, 2004

Note 4 - Local Government Risk Pool – (Continued)

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. After the sixth year, the member is refunded 100 percent of its capital contributions; however, the refund is reduced by an amount equal to the annual operating contribution, which the withdrawing member would have made for the one-year period following withdrawal.

The County also carries commercial insurance purchased from other insurers for coverage associated with the employee blanket bond. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The County also participates in the Iowa Municipalities Workers' Compensation Association (IMWCA) for Workman's Compensation insurance.

Note 5 - Interfund Receivables and Payables

The detail of interfund receivables and payables at June 30, 2004 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Pass Thru Grants	\$ 5,000
General Fund	Jail	109,203
General Fund	Debt Service	<u>9,644</u>
Total		<u>\$ 123,847</u>

Note 6 - Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2004 is as follows:

<u>Transfers To</u>	<u>Transfer From</u>	<u>Amount</u>
Special Revenues		
Secondary Roads	General	\$ 97,560
	Special Revenue – Rural Services	<u>1,217,000</u>
Total Transfers		<u>\$ 1,314,560</u>

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

Note 7 - Capital Assets

	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 630,696	\$ 846,910		\$ 1,477,606
Construction in Progress	<u>60,000</u>	<u>1,950,371</u>	<u>\$ 60,000</u>	<u>1,950,371</u>
Total Capital Assets Not Being Depreciated	<u>\$ 690,696</u>	<u>\$ 2,797,281</u>	<u>\$ 60,000</u>	<u>\$ 3,427,977</u>

HARRISON COUNTY, IOWA
Notes to Financial Statements
June 30, 2004

Note 7 - Capital Assets (Continued)

	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>
Capital Assets Being Depreciated:				
Buildings	\$ 4,394,754	\$ 87,450		\$ 4,482,204
Machinery and Equipment	6,224,727	586,212	\$ 330,876	6,480,063
Infrastructure	<u>576,759</u>	<u>4,799,547</u>		<u>5,376,306</u>
Total Capital Assets Being Depreciated	11,196,240	5,473,209	330,876	16,338,573
Less Accumulated Depreciation for:				
Buildings	863,803	98,719		962,522
Machinery and Equipment	3,351,332	354,066	277,381	3,428,017
Infrastructure	<u>6,241</u>	<u>88,758</u>		<u>94,999</u>
Total Accumulated Depreciation	<u>4,221,376</u>	<u>541,543</u>	<u>277,381</u>	<u>4,485,538</u>
Total Capital Assets Being Depreciated, Net	<u>6,974,864</u>	<u>4,931,666</u>	<u>53,495</u>	<u>11,853,035</u>
Governmental Activities Capital Assets, Net	<u>\$ 7,665,560</u>	<u>\$ 7,728,947</u>	<u>\$ 113,495</u>	<u>\$ 15,281,012</u>

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:	
Public Safety and Legal Services	\$ 81,059
Physical Health and Social Services	17,358
County Environment and Education Services	32,087
Roads and Transportation	384,579
Governmental Services to Residents	15,765
Administrative Services	<u>10,695</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 541,543</u>

Construction in progress consists of the following:

HVAC System for Court House	\$ 421,595
Road Construction	<u>1,528,776</u>
Total Construction in Progress	<u>\$ 1,950,371</u>

Net Assets Invested in Capital Assets Net of Related Debt: Governmental Activities Capital Assets, Net	\$ 15,281,012
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General Obligation Bonds Outstanding:	
Correction Facility Bonds	1,410,000
Geothermal System Bonds	<u>560,000</u>
	<u>1,970,000</u>
	<u>\$ 13,311,012</u>

HARRISON COUNTY, IOWA
Notes to Financial Statements
June 30, 2004

Note 8 - Due to Other Governments

The County purchases services from other governmental units and also acts as fee and tax collection agent for various governmental units. 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>
Jail		
General	Services	\$ 2,001
Secondary Roads	Goods and Services	421
Special Revenue		
Mental Health	Services	178,603
Pass Thru Grants	Woodbine Community School	<u>78,071</u>
Total for Governmental Funds		<u>\$ 259,096</u>
Agency		
County Assessor Collections		\$ 187,673
Schools		8,313,646
Community Colleges		391,908
Corporations		2,622,854
Townships		204,323
Auto License and Use Tax		316,717
All Other		<u>328,054</u>
Total for Agency Funds		<u>\$ 12,365,175</u>

Note 9 - Changes in Long-Term Debt

A summary of changes in long-term debt for the year ended June 30, 2004 is as follows:

	Compen- sated	Drainage	General	
	<u>Absences</u>	<u>Warrants</u>	Obligation	<u>Total</u>
			<u>Bonds</u>	
Balance Beginning of Year	\$ 480,295	\$ 373,843	\$ 3,475,000	\$ 4,329,138
Additions			560,000	560,000
Reductions	(273,561)	(164,714)	(330,000)	(768,275)
Balance End of Year	\$ <u>206,734</u>	\$ <u>209,129</u>	\$ <u>3,705,000</u>	\$ <u>4,120,863</u>

In July 1996, the County issued \$2,265,000 in General Obligation Solid Waste Disposal Capital Loan Notes to provide for long-term financing of Bond Anticipation Notes issued to construct facilities for the collection and disposal of solid waste. In June 2000, the County issued \$500,000 in General Obligation Solid Waste Disposal Notes to provide long-term financing for the construction of the expansion of the Harrison County Landfill. In May, 2002, the County issued \$100,000 in General Obligation solid waste disposal notes to finance the construction of an office building at the Harrison County Landfill. This debt will be financed by the Harrison County Landfill Commission, which executed an agreement with Harrison County to be responsible for all debt service payments. Because these notes are General Obligation debt, the County will record all debt and related payments on their annual financial report and record an offsetting receivable in the Debt Service Fund (Note 12).

HARRISON COUNTY, IOWA
Notes to Financial Statements
June 30, 2004

Note 9 - Changes in Long-Term Debt (Continued)

In February 1999, the County issued \$1,900,000 in General Obligation Bonds to finance the construction of the new Harrison County Law Enforcement Center in Logan, Iowa. The debt matures June, 2014.

In December 2003, the County issued \$560,000 in General Obligation bonds to finance the installation of a new HVAC System in the County Courthouse. The debt matures in December 2013.

The annual requirements to retire bonds are listed below. Interest rates range from 1.3% to 5.9%.

Year Ending <u>June 30,</u>	General Obligation <u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 395,000	\$ 169,614	\$ 564,614
2006	410,000	152,952	562,952
2007	430,000	135,026	565,026
2008	365,000	115,547	480,547
2009	380,000	98,770	478,770
2010 - 2014	<u>1,725,000</u>	<u>210,037</u>	<u>1,935,037</u>
Total	<u>\$ 3,705,000</u>	<u>\$ 881,946</u>	<u>\$ 4,586,946</u>

Note 10 - Drainage Warrants

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

Drainage warrants are paid from the Special Revenue Fund solely from special assessments against benefited properties.

Note 11 - Budget Overexpenditure

Per the Code of Iowa, disbursements may not legally exceed amounts budgeted by Service Areas or amounts appropriated by department. During the year ended June 30, 2004, disbursements exceeded the amount budgeted in the Road and Transportation and Debt Service areas.

Note 12 - Notes Receivable

The County made a loan to the Harrison County Landfill in the amount of \$71,720 in 1998 and \$69,634 in 1997 to be repaid by the landfill when the landfill is financially sound. During the current fiscal year, the landfill repaid \$69,634 which satisfied the balance of the note.

Harrison County has issued general obligation bonds for the Harrison County Landfill Commission to finance expansion and building projects. The balance of these bonds is \$1,735,000 at June 30, 2004. The landfill reimburses the County for the bond and interest payments, with the interest ranging from 3.6% to 5.9%, see Note 10. The bond payments constitute a receivable to the County and are recorded in the debt service fund. The future principal payments are listed below.

HARRISON COUNTY, IOWA
Notes to Financial Statements
June 30, 2004

Note 12 - Notes Receivable (Continued)

Year Ending <u>June 30,</u>	<u>Loan Principal</u>
2005	\$ 230,000
2006	240,000
2007	255,000
2008	180,000
2009	190,000
2010 & Thereafter	<u>640,000</u>
Total	<u>\$ 1,735,000</u>

Note 13 - Deficit Fund Balance

The County has one fund with a deficit equity balance at June 30, 2004. The County intends to finance this deficit through general operations of the County.

The individual fund deficit was as follows:

Special Revenue Drainage Districts	\$ <u>19,898</u>
------------------------------------	------------------

Note 14 - Local Government Guarantee

The Harrison County Board of Supervisors participates in an agreement with the Harrison County Landfill Commission, a political subdivision created under Chapter 28F of the Code of Iowa. The purpose of the Commission includes providing economic disposal of solid waste produced or generated within the member counties and municipalities.

State and federal laws and regulations require the Commission to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The closure and postclosure costs to the Commission have been estimated at \$884,095 and \$1,607,469 as of March 15, 2004. The Commission has begun to accumulate resources to fund these closure costs, and at June 30, 2003 deposits of \$595,025 are held for these purposes. Since the commission is anticipated to accumulate the full amount of funds required for closure and postclosure during the life of the landfill, no liability has been recognized on the County's financial statements.

The County has provided a Local Government Guarantee for the closure and postclosure costs of the landfill as per Chapter 111.6(8) of the Iowa Administrative Code. The County's financial assurance obligation equals \$2,491,564.

Note 15 - Construction Commitment

The County has entered into a contract totaling \$560,460 to provide an upgrade to the HVAC System of the Courthouse. As of June 30, 2004 costs of \$421,595 on the project have been incurred. The balance of \$138,865 remaining on the project at June 30, 2004 will be paid from bonds issued as work on the projects progresses.

Required Supplementary Information

HARRISON COUNTY, IOWA
Budgetary Comparison Schedule of Receipts, Disbursements and Changes in
Balances - Budget and Actual (Cash Basis) - All Governmental Funds
Required Supplementary Information
Year Ended June 30, 2004

	Governmental Fund Types Actual	Budgeted Amounts		Final to Actual Variance - Positive (Negative)
		Original	Final	
Receipts				
Property and Other County Tax	\$ 5,480,402	\$ 5,374,227	\$ 5,374,227	\$ 106,175
Interest and Penalty on Property Tax	62,953	52,000	52,000	10,953
Intergovernmental	3,903,373	4,310,332	4,767,662	(864,289)
Licenses and Permits	23,265	27,600	27,600	(4,335)
Charges for Service	1,665,916	346,600	394,600	1,271,316
Use of Money and Property	414,497	332,680	387,680	26,817
Miscellaneous	620,218	371,515	443,615	176,603
Total Receipts	<u>12,170,624</u>	<u>10,814,954</u>	<u>11,447,384</u>	<u>723,240</u>
Disbursements				
Public Safety and Legal Services	1,686,511	1,720,460	1,755,460	68,949
Physical Health and Social Services	1,305,243	1,264,044	1,393,953	88,710
Mental Health	1,521,140	1,560,825	1,740,825	219,685
County Environment and Education	740,834	751,590	781,664	40,830
Roads and Transportation	4,238,220	4,273,000	4,233,658	(4,562)
Government Services to Residents	384,149	416,210	424,210	40,061
Administrative Services	1,058,963	979,419	1,099,019	40,056
Debt Service	508,414	412,878	462,878	(45,536)
Capital Projects	580,247	139,850	592,468	12,221
Total Disbursements	<u>12,023,721</u>	<u>11,518,276</u>	<u>12,484,135</u>	<u>460,414</u>
Excess (Deficiency) of Receipts Over Disbursements	146,903	(703,322)	(1,036,751)	1,183,654
Other Financing Sources, Net	<u>560,000</u>	<u>-</u>	<u>550,000</u>	<u>10,000</u>
Excess of Receipts and Other Financing Sources Over Disbursements and Other Financing Uses	706,903	(703,322)	(486,751)	1,193,654
Balance Beginning of Year	<u>9,091,154</u>	<u>2,461,372</u>	<u>2,909,792</u>	<u>6,181,362</u>
Balance End of Year	<u>\$ 9,798,057</u>	<u>\$ 1,758,050</u>	<u>\$ 2,423,041</u>	<u>\$ 7,375,016</u>

See Accompanying Independent Auditors' Report

HARRISON COUNTY, IOWA
Budgetary Comparison Schedule - Budget to GAAP Reconciliation
Required Supplementary Information
Year Ended June 30, 2004

	Governmental Fund Types		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues			
Property and Other County Tax	\$ 5,480,402	\$ 27,930	\$ 5,508,332
Interest and Penalty on Property Tax	62,953	1,760	64,713
Intergovernmental	3,903,373	1,916	3,905,289
Licenses and Permits	23,265	(450)	22,815
Charges for Service	1,665,916	(286,648)	1,379,268
Use of Money and Property	414,497	(228,698)	185,799
Miscellaneous	620,218	53,813	674,031
Expenditures			
Public Safety and Legal Services	(1,686,511)	(123,120)	(1,809,631)
Physical Health and Social Services	(1,305,243)	(23,577)	(1,328,820)
Mental Health	(1,521,140)	65,872	(1,455,268)
County Environment and Education	(740,834)	(254,094)	(994,928)
Roads and Transportation	(4,238,220)	(317,317)	(4,555,537)
Government Services to Residents	(384,149)	715	(383,434)
Administrative Services	(1,058,963)	2,204	(1,056,759)
Debt Service	(508,414)		(508,414)
Capital Projects	(580,247)	(151,968)	(732,215)
Net	146,903	(1,231,662)	(1,084,759)
Other Financing Sources	560,000		560,000
Beginning Fund Balances	9,091,154	3,558,119	12,649,273
Increase (Decrease) in Reserve for			
Inventories		(457,274)	(457,274)
Prepaid Maintenance		7,400	7,400
Prepaid Insurance		30,899	30,899
Ending Fund Balances	<u>\$ 9,798,057</u>	<u>\$ 1,907,482</u>	<u>\$ 11,705,539</u>

HARRISON COUNTY, IOWA
Notes to Required Supplementary Information – Budgetary Reporting
June 30, 2004

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

Formal and legal budgetary control is based upon 10 major classes of expenditures known as functions, not by fund or fund type. These 10 functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administrative services, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the general fund, special revenue funds, debt service fund, capital projects funds, and expendable trust funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not at the fund or fund type level. Legal budgetary control is also based upon the appropriation to each office or department. During the year, a budget amendment increased budgeted disbursements by \$965,859. This budget amendment is reflected in the final budgeted amounts.

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.

During the year ended June 30, 2004, disbursements exceeded the amounts budgeted in the Roads and Transportation and Debt Service functions and disbursements in certain departments exceeded the amounts appropriated.

Supplementary Information

HARRISON COUNTY, IOWA
Combining Balance Sheet
Governmental Nonmajor Funds
June 30, 2004

	Federal Revenue Sharing	Resource Enhancement and Protection	County Recorder's Records Management Fund	DARE
Assets				
Cash and Pooled Investments	\$ 58	\$ 20,412	\$ 14,225	\$ 4,937
Receivables				
Accounts			406	
Drainage Assessments				
Due from Other Governments				
Total Assets	<u>58</u>	<u>20,412</u>	<u>14,631</u>	<u>4,937</u>
Liabilities and Fund Equity				
Liabilities				
Accounts Payable				51
Interest Payable				
Due to Other Funds				
Advance from Other Funds				
Due to Other Governmental Agencies				
Deferred Revenue				
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>51</u>
Fund Equity				
Fund Balances (Deficit)				
Reserved for				
Resource Enhancement and Protection		20,412		
Conservation Land Acquisition				
Unreserved (Deficit)	58		14,631	4,886
Total Fund Equity (Deficit)	<u>58</u>	<u>20,412</u>	<u>14,631</u>	<u>4,886</u>
Total Liabilities and Fund Equity	<u>\$ 58</u>	<u>\$ 20,412</u>	<u>\$ 14,631</u>	<u>\$ 4,937</u>

<u>Supplemental Environmental</u>	<u>Conservation Easement Monitor</u>	<u>Sheriff's Seizure Fund</u>	<u>Jail</u>	<u>Flood and Erosion</u>	<u>Drug Search and Seizures</u>	<u>Sheriff's K-9</u>
\$ 5,270	\$ 10,679	\$ 1,309	\$ 120,110	\$ 19,584	\$ 15,445	\$ 206
<u>5,270</u>	<u>10,679</u>	<u>1,309</u>	<u>120,110</u>	<u>19,584</u>	<u>15,445</u>	<u>206</u>
				266		
			109,203			
<u>-</u>	<u>-</u>	<u>-</u>	<u>109,203</u>	<u>266</u>	<u>-</u>	<u>-</u>
<u>5,270</u>	<u>10,679</u>	<u>1,309</u>	<u>10,907</u>	<u>19,318</u>	<u>15,445</u>	<u>206</u>
<u>5,270</u>	<u>10,679</u>	<u>1,309</u>	<u>10,907</u>	<u>19,318</u>	<u>\$ 15,445</u>	<u>206</u>
<u>\$ 5,270</u>	<u>\$ 10,679</u>	<u>\$ 1,309</u>	<u>\$ 120,110</u>	<u>\$ 19,584</u>	<u>15,445</u>	<u>\$ 206</u>

(Continued)

Harrison County, Iowa

HARRISON COUNTY, IOWA
Combining Balance Sheet - Continued
Governmental Nonmajor Funds
June 30, 2004

	Sheriff's Officer Memorial	Pass Thru Grants	Drainage Districts	Conservation Land Acquisition	Total Special Revenue Nonmajor Funds
Assets					
Cash and Pooled Investments	\$ 601		\$ 11,422	\$ 54,958	\$ 279,216
Receivables					
Accounts		\$ 5,000		10,890	16,296
Drainage Assessments			82		82
Due from Other Governments		78,071			78,071
Total Assets	<u>601</u>	<u>83,071</u>	<u>11,504</u>	<u>65,848</u>	<u>373,665</u>
Liabilities and Fund Equity					
Liabilities					
Accounts Payable			17,920		18,237
Interest Payable			13,400		13,400
Due to Other Funds		5,000			5,000
Advance from Other Funds				50,000	50,000
Due to Other Governmental Agencies		78,071			187,274
Deferred Revenue			82		82
Total Liabilities	<u>-</u>	<u>83,071</u>	<u>31,402</u>	<u>50,000</u>	<u>273,993</u>
Fund Equity					
Fund Balances (Deficit)					
Reserved for					
Resource Enhancement and Protection					20,412
Conservation Land Acquisition				15,848	15,848
Unreserved (Deficit)	601		(19,898)		63,412
Total Fund Equity (Deficit)	<u>601</u>	<u>-</u>	<u>(19,898)</u>	<u>15,848</u>	<u>99,672</u>
Total Liabilities and Fund Equity	<u>\$ 601</u>	<u>\$ 83,071</u>	<u>\$ 11,504</u>	<u>\$ 65,848</u>	<u>\$ 373,665</u>

See Accompanying Independent Auditors' Report

HARRISON COUNTY, IOWA
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Governmental Nonmajor Funds
Year Ended June 30, 2004

	Federal Revenue Sharing	Resource Enhancement and Protectin	County Recorder's Records Management Fund	DARE
Revenues				
Intergovernmental Revenue		\$ 10,537		
Charges for Services			\$ 4,896	
Use of Money and Property		51	74	
Miscellaneous				\$ 3,885
Total Revenues	-	10,588	4,970	3,885
Expenditures				
Current				
Public Safety and Legal Services			-	4,167
County Environment and Education Services			5,050	
Administrative Services			5,050	4,167
Total Expenditures	-	-	5,050	4,167
Excess (Deficiency) of Revenues Over Expenditures		10,588	(80)	(282)
Fund Balances (Deficit) - Beginning of Year	\$ 58	9,824	14,711	5,168
Fund Balances (Deficit) - End of Year	\$ 58	\$ 20,412	\$ 14,631	\$ 4,886

Supplemental Environmental	Conservation Easement Monitor	Sheriff's Seizure Fund	Jail	Flood and Erosion	Drug Search and Seizures	Sheriff's K-9
			\$ 64,637		\$ 21,406	
\$ 33	\$ 6,179				-	
33	6,179	-	64,637	-	21,406	-
			119,667		5,236	
1,263				\$ 1,852		
1,263	-	-	119,667	1,852	5,236	-
(1,230)	6,179	-	(55,030)	(1,852)	16,170	-
6,500	4,500	\$ 1,309	65,937	21,170	(725)	\$ 206
\$ 5,270	\$ 10,679	\$ 1,309	\$ 10,907	\$ 19,318	\$ 15,445	\$ 206

(Continued)

Harrison County, Iowa

HARRISON COUNTY, IOWA
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Continued
Governmental Nonmajor Funds
Year Ended June 30, 2004

	Sheriff's Officer Memorial	Drainage Districts	Conservation Land Acquisition	Total Governmental Nonmajor Funds
Revenues				
Intergovernmental Revenue		\$ 38,615		\$ 49,152
Charges for Services			\$ 28,813	119,752
Use of Money and Property			350	475
Miscellaneous		184,368	-	194,465
Total Revenues	-	<u>222,983</u>	<u>29,163</u>	<u>363,844</u>
Expenditures				
Current				
Public Safety and Legal Services				129,070
County Environment and Education Services		213,259	60,040	276,414
Administrative Services				5,050
Total Expenditures	-	<u>213,259</u>	<u>60,040</u>	<u>410,534</u>
Excess (Deficiency) of Revenues Over Expenditures	-	<u>9,724</u>	<u>(30,877)</u>	<u>(46,690)</u>
Fund Balances(Deficit) - Beginning of Year	\$ 601	(29,622)	46,725	146,362
Fund Balances (Deficit) - End of Year	<u>\$ 601</u>	<u>\$ (19,898)</u>	<u>\$ 15,848</u>	<u>\$ 99,672</u>

HARRISON COUNTY, IOWA
Combining Schedule of Fiduciary Assets and Liabilities
June 30, 2004

	Agency Funds			
	County Offices			
	Board of Supervisors	County Recorder	County Sheriff	Agricultural Extension
Assets				
Cash and Pooled Investments				
County Treasurer		\$ 22,689		
Other County Officials	\$ 5,489	20,272	\$ 12,071	\$ 5,424
Receivables				
Accounts		15,313		
Due From Other Governments				
Property Tax				
Delinquent				1,262
Succeeding Year				110,117
Special Assessments				
Current Drainage Assessments				
Future Drainage Assessments				
Total Assets	<u>5,489</u>	<u>58,274</u>	<u>12,071</u>	<u>116,803</u>
Liabilities				
Accounts Payable	927			
Interest Payable				
Salaries and Benefits Payable				
Due to Other Governments	4,562	58,274		116,803
Trusts Payable			12,071	
Compensated Absences				
Total Liabilities	<u>\$ 5,489</u>	<u>\$ 58,274</u>	<u>\$ 12,071</u>	<u>\$ 116,803</u>

Agency Funds

County Assessor	Schools	Area Schools	Corporations	Townships	Future Tax Payments	Preservation Commission
\$ 59,202	\$ 117,001	\$ 5,683	\$ 46,720	\$ 2,935	\$ 919	\$ 400
1,550 135,233	95,742 8,100,903	4,366 381,859	19,560 2,556,574	2,084 199,304		
<u>195,985</u>	<u>8,313,646</u>	<u>391,908</u>	<u>2,622,854</u>	<u>204,323</u>	<u>919</u>	<u>400</u>
2,568						
187,673	8,313,646	391,908	2,622,854	204,323	919	400
5,744						
<u>\$ 195,985</u>	<u>\$ 8,313,646</u>	<u>\$ 391,908</u>	<u>\$ 2,622,854</u>	<u>\$ 204,323</u>	<u>\$ 919</u>	<u>\$ 400</u>

(Continued)

HARRISON COUNTY, IOWA
Combining Schedule of Fiduciary Assets and Liabilities - Continued
June 30, 2004

	Agency Funds			
	Auto License and Use Tax	City Special Assessments	Drainage Districts	Brucellosis and Tuberculosis Eradication
Assets				
Cash and Pooled Investments				
County Treasurer	\$ 316,717	\$ 23,812	\$ 49,652	\$ 1,440
Other County Officials				
Receivables				
Accounts				
Due from Other Governments				
Property Tax				
Delinquent				23
Succeeding Year				2,080
Special Assessments		13,137		
Current Drainage Assessments			124	
Future Drainage Assessments			63,242	
Total Assets	316,717	36,949	113,018	3,543
Liabilities				
Accounts Payable			17,407	
Interest Payable			5,078	
Salaries and Benefits Payable				
Due to Other Governments	316,717	36,949	90,533	3,543
Trusts Payable				
Compensated Absences				
Total Liabilities	\$ 316,717	\$ 36,949	\$ 113,018	\$ 3,543

See Accompanying Independent Auditors' Report

Agency Funds

Emergency Management Services	Tax Redemption Trust	E-911 Service Commission	Cafeteria Plan	Driver's License Trust	Self Funded Health Insurance	Total
\$ 16,870	\$ 8,087	\$ 2,448	\$ 504		\$ 123,353	\$ 798,432 43,256
		6,589				21,902
10,034		4,178				14,212
						124,587
						11,486,070
						13,137
						124
						63,242
<u>26,904</u>	<u>8,087</u>	<u>13,215</u>	<u>504</u>	<u>-</u>	<u>123,353</u>	<u>12,564,962</u>
						163,681
6,211		13,215			123,353	5,078
3,021						3,021
7,480	8,087	-	504	-		12,365,175
						12,071
10,192						15,936
<u>\$ 26,904</u>	<u>\$ 8,087</u>	<u>\$ 13,215</u>	<u>\$ 504</u>	<u>-</u>	<u>\$ 123,353</u>	<u>\$ 12,564,962</u>

HARRISON COUNTY, IOWA
Combining Schedule of Changes in Fiduciary Assets and Liabilities
Year Ended June 30, 2004

Assets and Liabilities	Agency Funds				
	County Offices				
	Board of Supervisors	County Recorder	County Sheriff	Agricultural Extension	County Assessor
Balances Beginning of Year	\$ 3,197	\$ 30,768	\$ 9,998	\$ 117,050	\$ 229,241
Additions:					
Property and Other County Tax		66,924		114,099	123,322
E911 Surcharge					
State Tax Credits					6,804
State Allocation					
Drivers License Fee					
Office Fees and Collections	42,547	229,079	389,164		
Auto Licenses, Use Tax and Postage					
Assessments					
Trusts					
Miscellaneous					194
Total Additions	<u>42,547</u>	<u>296,003</u>	<u>389,164</u>	<u>114,099</u>	<u>130,320</u>
Deductions:					
Agency Remittances:					
To Other Funds					163,576
To Other Governments	40,255	268,497	387,091	114,346	
Trusts Paid Out					
Total Deductions	<u>40,255</u>	<u>268,497</u>	<u>387,091</u>	<u>114,346</u>	<u>163,576</u>
Balances End of Year	<u>\$ 5,489</u>	<u>\$ 58,274</u>	<u>\$ 12,071</u>	<u>\$ 116,803</u>	<u>\$ 195,985</u>

Agency Funds

<u>Schools</u>	<u>Area Schools</u>	<u>Corporations</u>	<u>Townships</u>	<u>Future Tax Payments</u>	<u>Preservation Commission</u>
<u>\$ 8,777,119</u>	<u>\$ 429,256</u>	<u>\$ 2,649,814</u>	<u>\$ 241,821</u>	<u>\$ 919</u>	<u>\$ 400</u>
7,977,086	374,057	2,875,335	203,486		
456,249	22,309	166,984	12,016		
<u>6,272</u>	<u>321</u>		<u>202</u>		
<u>8,439,607</u>	<u>396,687</u>	<u>3,042,319</u>	<u>215,704</u>	<u>-</u>	<u>-</u>
8,903,080	434,035	3,069,279	253,202		
<u>8,903,080</u>	<u>434,035</u>	<u>3,069,279</u>	<u>253,202</u>	<u>-</u>	<u>-</u>
<u>\$ 8,313,646</u>	<u>\$ 391,908</u>	<u>\$ 2,622,854</u>	<u>\$ 204,323</u>	<u>\$ 919</u>	<u>\$ 400</u>

HARRISON COUNTY, IOWA
Combining Schedule of Fiduciary Assets and Liabilities - Continued
Year Ended June 30, 2004

Assets and Liabilities	Agency Funds				
	Auto License and Use Tax	City Special Assessments	Drainage Districts	Brucellosis and Tuberculosis Eradication	Emergency Management Services
Balances Beginning of Year	\$ 259,401	\$ 10,513	\$ 115,575	\$ 3,431	\$ 24,525
Additions:					
Property and Other County Tax				2,141	
E911 Surcharge					
State Tax Credits					
State Allocation					
Drivers License Fee					
Office Fees and Collections					317,864
Auto Licenses, Use Tax and Postage	4,212,863				
Assessments		28,226	132,739		
Trusts					
Miscellaneous					
Total Additions	4,212,863	28,226	132,739	2,141	317,864
Deductions:					
Agency Remittances:					
To Other Funds			22,485		
To Other Governments	4,155,547	1,790	112,811	2,029	
Trusts Paid Out					315,485
Total Deductions	4,155,547	1,790	135,296	2,029	315,485
Balances End of Year	\$ 316,717	\$ 36,949	\$ 113,018	\$ 3,543	\$ 26,904

See Accompanying Independent Auditors' Report

Agency Funds

<u>Tax Redemption Trust</u>	<u>E-911 Service Commission</u>	<u>Cafeteria Plan</u>	<u>Driver's License Trust</u>	<u>Self Funded Health Insurance</u>	<u>Total</u>
\$ 27,159	\$ 47,089	\$ 183			\$ 12,977,459
					11,736,450
	125,890				125,890
					664,362
					-
			\$ 83,032		83,032
277,475					1,256,129
					4,212,863
					160,965
					-
	158	19,684		\$ 956,818	983,649
<u>277,475</u>	<u>126,048</u>	<u>19,684</u>	<u>83,032</u>	<u>956,818</u>	<u>19,223,340</u>
					-
					186,061
296,547	13,164		83,032		18,134,705
	146,758	19,363		833,465	1,315,071
<u>296,547</u>	<u>159,922</u>	<u>19,363</u>	<u>\$ 83,032</u>	<u>\$ 833,465</u>	<u>19,635,837</u>
					-
<u>\$ 8,087</u>	<u>\$ 13,215</u>	<u>\$ 504</u>	<u>-</u>	<u>123,353</u>	<u>\$ 12,564,962</u>

