

**IOWA COUNTY ATTORNEYS CASE MANAGEMENT
PROJECT**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2013 AND 2012

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IOWA COUNTY ATTORNEYS CASE MANAGEMENT PROJECT
OFFICIALS AS OF JUNE 30, 2013

<u>Name</u>	<u>Title</u>	<u>Representing</u>
John Werden, Jr.	Chairperson	Carroll County
Julie Forsyth	Vice-Chairperson	Madison County
Matthew Wilber	Treasurer	Pottawattamie County
Jill Kistler	Member	Allamakee County
Richard F. Scott	Member	Appanoose County
Adria Kester	Member	Boone County
Shawn Harden	Member	Buchanan County
David Patton	Member	Buena Vista County
Gregory M. Lievens	Member	Butler County
Cynthia Voorde	Member	Calhoun County
Carlyle D. Dalen	Member	Cerro Gordo County
Ryan R. Kolpin	Member	Cherokee County
Mike L. Wolf	Member	Clinton County
Michael R. Mundt	Member	Crawford County
Wayne Reisetter	Member	Dallas County
Rick Lynch	Member	Davis County
Patrick C. Jackson	Member	Des Moines County
Normand Klemesrud	Member	Floyd County
Mary Benton	Member	Guthrie County
Randall J. Tilton	Member	Hardin County
Darin R. Slater	Member	Henry County
Michael K. Jacobsen	Member	Jasper County
Timothy W. Dille	Member	Jefferson County
Janet Lyness	Member	Johnson County
Phil Parsons	Member	Jones County
Jerry Vander Sanden	Member	Linn County
Shayne Mayer	Member	Lyon County
Rose Anne Mefford	Member	Mahaska County
Ed Bull	Member	Marion County
Jennifer Miller	Member	Marshall County
Michael P. Jensen	Member	Monona County
Alan Ostergren	Member	Muscatine County
Micah J. Schreurs	Member	O'Brien County
Jeremy Peterson	Member	Page County
Lyssa Henerson	Member	Palo Alto County
Darin Raymond	Member	Plymouth County
Rebecca Petig	Member	Poweshiek County
Ben Smith	Member	Sac County
Coleman McAllister	Member	Sioux County
Stephen Holmes	Member	Story County
Brent D. Heeren	Member	Tama County
H. Craig Miller	Member	Van Buren County
Lisa Holl	Member	Wapello County
John Criswell	Member	Warren County
Larry Brock	Member	Washington County
Rick Osborn	Member	Webster County
Andrew VanDerMaaten	Member	Winneshiek County



Partners

Michael E. Brinker, CPA
David A. Farnsworth, CPA
David W. Hurst, CPA
Kathleen A. Koenig, CPA
Robert R. McGowen, CPA
Michael W. McNichols, CPA

Brian K. Newton, CPA
Thomas J. Pflanz, CPA, CFP®
John A. Schmidt, CPA
Daniel A. Schwarz, CPA/ABV
S. James Smith, CPA
Joni M. Tonnemacher, CPA, MAFF

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Iowa County Attorneys Case Management Project

Report on Financial Statements

We have audited the accompanying statements of Iowa County Attorneys Case Management Project as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express our opinion on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Iowa County Attorneys Case Management Project as of June 30, 2013 and 2012, and the changes in its financial position and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matter

Required Supplementary Information

U.S. generally accepted accounting principles require the Management's Discussion and Analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2013 on our consideration of Iowa County Attorneys Case Management Project's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Iowa County Attorneys Case Management Project's internal control over financial reporting and compliance.

McGowen, Hurst, Clark + Smith, P.C.

West Des Moines, Iowa
October 15, 2013

IOWA COUNTY ATTORNEYS CASE MANAGEMENT PROJECT **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Iowa County Attorneys Case Management Project (“ICACMP,” or the “Organization”) provides this Management’s Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the year ended June 30, 2013. We encourage readers to consider this information in conjunction with the Organization’s financial statements, which follow.

2013 FINANCIAL HIGHLIGHTS

- The Organization’s revenues increased 15%, or \$25,489, from fiscal year 2012 to fiscal year 2013. Revenues increased primarily as a result of an increase in membership dues, software maintenance fees, and miscellaneous income.
- The Organization’s expenses were 19%, or \$29,261, more in fiscal year 2013 than in fiscal year 2012. Expenses increased as a result of higher software maintenance costs, office expenses, professional fees, and travel expenses, offset by a decrease in bad debt expense and meeting expense.
- The Organization’s net position increased 9%, or \$15,440, from June 30, 2012 to June 30, 2013.

USING THIS ANNUAL REPORT

Iowa County Attorneys Case Management Project is a 28E organization and presents its financial statements using the economic resources measurement focus and accrual basis of accounting, which is the same measurement focus and basis of accounting employed by private sector business enterprises. This discussion and analysis are intended to serve as an introduction to Iowa County Attorneys Case Management Project’s financial statements. The annual report consists of a series of financial statements and other information, as follows:

Management’s Discussion and Analysis introduces the financial statements and provides an analytical overview of the Organization’s financial activities.

The Statements of Net Position present information on the Organization’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Organization is improving or deteriorating.

The Statements of Revenues, Expenses and Changes in Net Position present information on the Organization’s operating revenues and expenses, non-operating revenues and expenses and whether the Organization’s financial position has improved or deteriorated as a result of the year’s activities.

The Statements of Cash Flows presents the change in the Organization’s cash and cash equivalents during the year. This information can assist the user of the report in determining how the Organization financed its activities and how it met its cash requirements.

The Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the financial statements.

IOWA COUNTY ATTORNEYS CASE MANAGEMENT PROJECT
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE ORGANIZATION

Statements of Net Position

As noted earlier, net position may serve over time as a useful indicator of the Organization's financial position. The Organization's net position at the fiscal year ended June 30, 2013 totaled approximately \$179,000. This compares to approximately \$163,000 at June 30, 2012. A summary of the Organization's net position is presented below:

	<u>June 30,</u>	
	<u>2013</u>	<u>2012</u>
Current assets	\$ 389,891	\$ 316,491
Property and equipment at cost, less accumulated depreciation	<u>16,552</u>	<u>16,122</u>
Total assets	406,443	332,613
Less current liabilities	<u>227,545</u>	<u>169,155</u>
Unrestricted net position	<u>\$ 178,898</u>	<u>\$ 163,458</u>

All of the Organization's net position is unrestricted and can be used to meet the Organization's obligations as they come due.

IOWA COUNTY ATTORNEYS CASE MANAGEMENT PROJECT
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE ORGANIZATION, continued

Statements of Revenues, Expenses and Changes in Net Position

Operating revenues consist primarily of membership dues, registration fees and software maintenance collected from member counties. Operating expenses consist of expenses paid to provide a means through which representatives from the offices of interested Iowa county attorneys may cooperate and coordinate efforts to develop and make available case management programs that are more uniformly accepted, compatible and able to integrate with other local and state criminal justice agencies. Non-operating revenue is primarily comprised of interest income and miscellaneous income. The utilization of capital assets is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life. A summary of revenues, expenses and changes in net position for the years ended June 30, 2013 and 2012 is presented below:

Changes in Net Position		Year ended June 30,	
	2013	2012	
Revenue			
Membership dues	\$ 147,505	\$ 128,300	
Registration fees	-	3,920	
Software maintenance fees	41,062	35,687	
Interest income	494	606	
Miscellaneous income	8,941	4,000	
Total revenues	198,002	172,513	
Expenses			
Salaries and related benefits	74,808	76,087	
Software maintenance costs	41,989	29,161	
Office expenses	17,043	6,822	
Professional fees	20,909	12,697	
Depreciation	10,583	8,799	
Meeting expenses	425	6,908	
Travel expenses	14,075	6,741	
Insurance	2,049	2,067	
Bad debts expense	-	3,045	
Miscellaneous	681	974	
Total expenses	182,562	153,301	
Increase in unrestricted net position	15,440	19,212	
Unrestricted net position, beginning of year	163,458	144,246	
Unrestricted net position, end of year	\$ 178,898	\$ 163,458	

The Statements of Revenues, Expenses and Changes in Net Position reflect an increase in net position at the end of the fiscal years 2013 and 2012. In fiscal year 2013, total revenues increased by \$25,489 or 15%, primarily as a result of an increase in membership dues, software maintenance fees, and miscellaneous income. Total expenses increased by \$29,261, or 19%, a result of higher software maintenance costs, office expenses, professional fees, and travel expenses, offset by a decrease in bad debt expense and meeting expenses.

IOWA COUNTY ATTORNEYS CASE MANAGEMENT PROJECT
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE ORGANIZATION, continued

Statements of Cash Flows

The Statements of Cash Flows present information related to cash inflows and outflows, summarized by operating, capital and related financing and investing activities. Cash provided by operating activities primarily includes member dues and software maintenance fees reduced by salaries and related benefits and office and professional fees. Cash used by investing activities consists of purchases of property and equipment reduced by proceeds from sales of property and equipment.

PROPERTY AND EQUIPMENT

At June 30, 2013, the Organization had approximately \$16,600 invested in property and equipment, net of accumulated depreciation of approximately \$37,300. Depreciation expense totaled \$10,583 during fiscal year ended June 30, 2013. More detailed information about the Organization's property and equipment is presented in Note A to the financial statements.

ECONOMIC FACTORS

Economic conditions in Iowa could have a potential impact on ICACMP. The loss of taxable valuation can impact a county's ability to raise revenue which, in turn, could reduce the willingness of counties to participate in ICACMP. The greatest economic threat to the program, though, continues to be the participation level of the counties. Since there is no mandate in place to require participation, it is solely at the discretion of the county prosecutors and boards of supervisors. Additionally, having the ability to continue to offer a high level of user support is dependent upon the staffing level or contracted staffing of support personnel. This, in turn, affects member dues which can impact which counties can or will participate.

The services ICACMP provides allows the county prosecutors to handle their workload more efficiently, and be able to report on their caseloads.

The Iowa court system is now implementing electronic filing and it is, as of this writing, in place in approximately 25% of the counties thus far. As that requirement is implemented at each county, prosecutors will find it advantageous to have the ability to file with the courts using one of the applications supported by ICACMP.

If momentum and/or funding for Criminal Justice Information Systems Integration (data exchanges involving the county attorneys) drops, it could affect the counties tremendously; however, ICACMP has been assured that the data exchange will be a long-standing process. The Organization's first priority is still to help the prosecutors become more efficient; however, the data exchange process is also important to the Organization's business processes.

CONTACTING THE ORGANIZATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our Board of Directors and management with a general overview of the Organization's finances and to show the Organization's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Iowa County Attorneys Case Management Project, 5500 Westown Parkway, Suite 190, West Des Moines, Iowa 50266.

IOWA COUNTY ATTORNEYS CASE MANAGEMENT PROJECT
STATEMENTS OF NET POSITION
JUNE 30, 2013 AND 2012

ASSETS

	2013	2012
CURRENT ASSETS		
Cash	\$ 370,043	\$ 292,612
Accounts receivable	19,848	13,524
Prepaid expenses	-	10,355
Total current assets	389,891	316,491
 PROPERTY AND EQUIPMENT		
Office furniture and equipment	22,499	25,531
Vehicles	25,395	25,395
Software	5,936	5,936
	53,830	56,862
Less accumulated depreciation	(37,278)	(40,740)
Net property and equipment	16,552	16,122
 TOTAL ASSETS	\$ 406,443	\$ 332,613

LIABILITIES AND NET POSITION

CURRENT LIABILITIES		
Accounts payable	\$ 54,500	\$ 57,338
Due to Iowa State Association of Counties	2,725	781
Compensated absences	7,298	5,561
Deferred revenue	163,022	105,475
Total current liabilities	227,545	169,155
 NET POSITION - unrestricted	178,898	163,458
 TOTAL LIABILITIES AND NET POSITION	\$ 406,443	\$ 332,613

The accompanying notes are an integral part of these financial statements.

IOWA COUNTY ATTORNEYS CASE MANAGEMENT PROJECT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
REVENUE		
Membership dues	\$ 147,505	\$ 128,300
Registration fees	-	3,920
Software maintenance fees	41,062	35,687
Interest income	494	606
Gain on sale of equipment	2,025	-
Miscellaneous income	6,916	4,000
Total revenues	<u>198,002</u>	<u>172,513</u>
EXPENSES		
Salaries and related benefits	74,808	76,087
Software maintenance costs	41,989	29,161
Office expenses	17,043	6,822
Professional fees	20,909	12,697
Depreciation	10,583	8,799
Meeting expenses	425	6,908
Travel expenses	14,075	6,741
Insurance	2,049	2,067
Bad debts expense	-	3,045
Miscellaneous	681	974
Total expenses	<u>182,562</u>	<u>153,301</u>
INCREASE IN UNRESTRICTED NET POSITION	15,440	19,212
UNRESTRICTED NET POSITION, beginning of year	<u>163,458</u>	<u>144,246</u>
UNRESTRICTED NET POSITION, end of year	<u><u>\$ 178,898</u></u>	<u><u>\$ 163,458</u></u>

The accompanying notes are an integral part of these financial statements.

IOWA COUNTY ATTORNEYS CASE MANAGEMENT PROJECT
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from membership dues	\$ 198,727	\$ 130,339
Cash received from registration fees	-	3,920
Cash received from software maintenance fees	41,062	35,687
Cash received from interest income	494	606
Cash received from miscellaneous income	4,891	4,000
Cash received from gain on disposal of property and equipment	2,025	-
Cash paid to suppliers for goods and services	(73,589)	(22,366)
Cash paid to employees for services	(87,191)	(86,160)
Net cash provided by operating activities	<u>86,419</u>	<u>66,026</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	2,025	-
Purchases of property and equipment	(11,013)	(1,290)
Net cash used by investing activities	<u>(8,988)</u>	<u>(1,290)</u>
Net increase in cash	77,431	64,736
CASH, beginning of year	<u>292,612</u>	<u>227,876</u>
CASH, end of year	<u><u>\$ 370,043</u></u>	<u><u>\$ 292,612</u></u>
Reconciliation of increase in net position to net cash provided by operating activities:		
Increase in net position	\$ 15,440	\$ 19,212
Adjustments to reconcile increase in net position to net cash provided by operating activities:		
Depreciation	10,583	8,799
Gain on disposal of property and equipment	(2,025)	-
Net change in:		
Accounts receivable	(6,324)	(2,353)
Prepaid expenses	10,355	(3,188)
Accounts payable	(2,838)	42,565
Due to Iowa State Association of Counties	1,944	(24)
Compensated absences	1,737	(3,377)
Deferred revenue	57,547	4,392
Net cash provided by operating activities	<u><u>\$ 86,419</u></u>	<u><u>\$ 66,026</u></u>

The accompanying notes are an integral part of these financial statements.

IOWA COUNTY ATTORNEYS CASE MANAGEMENT PROJECT
MANAGEMENT'S DISCUSSION AND ANALYSIS

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Iowa County Attorneys Case Management Project ("ICACMP," or "Organization") was established under the provisions of Chapter 28E of the Iowa Code. The purpose of ICACMP is to provide a means through which representatives from the offices of interested Iowa county attorneys may cooperate and coordinate efforts to develop and make available case management programs that are more uniformly accepted, compatible and able to integrate with other local and state criminal justice agencies. The programs will be adapted to the special needs and requirements of Iowa county attorneys and provide for future development, improvement, and training in the use of case management programs for Iowa county attorneys.

The Organization's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

Reporting entity - For financial reporting purposes, the Organization has included all funds, organizations, agencies, boards, commissions and authorities. The Organization 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 Organization are such that exclusion would cause the Organization's financial statements to be misleading or incomplete. The GASB 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 Organization 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 Organization. The Organization has no component units which meet the GASB criteria.

Basis of Presentation - The accounts of the Organization are organized as an Enterprise Fund. Enterprise Funds are used to account for operations (a) financed and operated in a manner similar to private business enterprises, where the intent of the governing body is the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Measurement Focus and Basis of Accounting - The financial statements are reported using the economic resources measurement focus and 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Organization distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Organization's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

IOWA COUNTY ATTORNEYS CASE MANAGEMENT PROJECT
MANAGEMENT'S DISCUSSION AND ANALYSIS

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
Continued

Concentration of credit risk - The Organization's deposits in banks at June 30, 2013 and 2012 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.

Accounts receivable - Accounts receivable consist primarily of amounts due from member counties. Management periodically reviews outstanding accounts receivable to determine whether an allowance for uncollectible accounts should be established. No allowance related to accounts receivable was considered necessary at June 30, 2013 and 2012.

Property and equipment - Property and equipment are stated at cost. The Organization capitalizes purchases of \$1,000 or greater. Depreciation is provided by the straight-line method over the estimated economic useful lives of the assets, ranging from three to seven years.

Compensated absences - The Organization's employee accumulates a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, death or retirement. The Organization's liability for accumulated vacation has been computed based on rates of pay in effect at July 1, 2013 and 2012.

Deferred revenue - Deferred revenue consists primarily of dues payments collected in the current fiscal year for the subsequent fiscal year.

Income tax status - The Organization was formed as a joint venture between the participating member counties and was established under Chapter 28E of the Iowa Code. As a result of its status as a 28E organization, it is exempt from income taxes and has no income tax filing requirements.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B - AGREEMENT WITH THE IOWA STATE ASSOCIATION OF COUNTIES

The Organization has an agreement with the Iowa State Association of Counties (ISAC) whereby ISAC provides the Organization with office space, clerical support, telephone services, use of its office-related equipment, and insurance. The Organization reimburses ISAC for these costs on a periodic basis. Amounts paid or accrued to ISAC under the agreement totaled \$11,422 and \$4,074 for fiscal year 2013 and 2012, respectively.

IOWA COUNTY ATTORNEYS CASE MANAGEMENT PROJECT
MANAGEMENT'S DISCUSSION AND ANALYSIS

NOTE C - RETIREMENT PLAN

The Organization 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 that 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.

During the fiscal years ended June 30, 2013 and 2012, plan members were required to contribute 5.78% and 5.38%, respectively, of their annual covered salary and the Organization was required to contribute 8.67% and 8.07%, respectively, of covered salary. Contribution requirements are established by State statute. The Organization's contribution to IPERS for the years ended June 30, 2013 and 2012 were \$10,014 and \$10,129, respectively. The Organization's contributions met the required contributions for each year.

NOTE D - FUNCTIONAL EXPENSES

Allocations of expenses are made by direct assignment of costs to functional categories where a direct relationship existed. Other common expenses have been allocated to program expense based upon reasonable use estimates. Salaries and related benefits have been allocated directly to program expenses based upon estimated time spent on program activities.

Following is a summary of the Organization's functional expenses for the years ended June 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Program expenses	\$ 89,995	\$ 86,499
Fundraising costs	-	-
General and administration	<u>92,567</u>	<u>66,802</u>
TOTAL	<u>\$ 182,562</u>	<u>\$ 153,301</u>

NOTE E - RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The Organization assumes liability for any deductibles and claims in excess of coverage limitations.



Partners

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Iowa County Attorneys Case Management Project

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Iowa County Attorneys Case Management Project as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Iowa County Attorneys Case Management Project's basic financial statements, and have issued our report thereon dated October 15, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Iowa County Attorneys Case Management Project's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Iowa County Attorneys Case Management Project's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Iowa County Attorneys Case Management Project's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McGowen, Hurst, Clark + Smith, P.C.

West Des Moines, Iowa
October 15, 2013

IOWA COUNTY ATTORNEYS CASE MANAGEMENT PROJECT
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2013

Findings Related to the Financial Statements

Internal Control deficiencies

No matters were noted.

Instances of non-compliance

No matters were noted.

Other findings related to required statutory reporting

No matters were noted.