

IOWA COUNTY

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS

JUNE 30, 2008

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IOWA COUNTY

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
William Keegan	Board of Supervisors	Jan. 2011
Linda Yoder	Board of Supervisors	Jan. 2011
Charles Montross	Board of Supervisors	Jan. 2011
Rick L. Gerard	Board of Supervisors	Jan. 2009
Ray Garringer	Board of Supervisors	Jan. 2009
Linda Griggs	County Auditor	Jan. 2009
Kim Tanke	County Treasurer	Jan. 2011
Sue Peterson	County Recorder	Jan. 2011
Nick Roggentien	County Sheriff	Jan. 2009
Timothy McMeen	County Attorney	Jan. 2011
Sharon L. Hudepohl	County Assessor	Jan. 2010

INDEPENDENT AUDITOR'S REPORT

To the Officials of Iowa County:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Iowa County, Iowa, as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements listed in the table of contents. These financial statements are the responsibility of Iowa County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Iowa County as of June 30, 2008 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 27, 2009 on our consideration of Iowa County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts 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 and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 6 through 10 and 46 through 49 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 required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Iowa County's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2007 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Oskaloosa, Iowa
February 27, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

Iowa County provides this Management's Discussion and Analysis for the year ended June 30, 2008, financial statements. This information is a narrative overview and analysis of the financial activity in the report. It should help the reader understand the events that significantly affected the financial position of Iowa County as a whole.

FINANCIAL HIGHLIGHTS

Revenues of the County's governmental funds increased \$772,317 from \$13,040,597 in FY07 to \$13,812,914 in FY08, or approximately 6%. Net property and other county taxes increased \$301,211 from \$6,943,983 in FY07 to \$7,245,194 in FY08, or approximately 4%, due to the net effects of an increase in property tax asking and an increase in hotel/motel tax collections. Intergovernmental revenue increased \$355,375 from \$4,523,156 in FY07 to \$4,878,531 in FY08, or approximately 8%, due to an increase in federal and pass-through grants received.

County program expenditures were 12% higher in FY08, increasing \$1,506,516 to \$14,390,947 for FY08 from \$12,884,431 in FY07. Capital Projects increased \$516,431 due to Phase III Main Street Amana construction project and courthouse improvements. Roads and transportation expenditures increased by \$433,065 due to Federal Emergency Management Assistance (FEMA) grants.

USING THE ANNUAL REPORT

This report consists of a series of financial statements and other information.

The Government-wide Financial Statements consist of a statement of net assets and a statement of activities. These provide information about the activities of Iowa County as a whole and present an overall view of the County's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Iowa County's operations in more detail than the government-wide statements by providing information about the most significant funds.

The remaining statements provide financial information about activities for which Iowa County acts solely as an agent or custodian for the benefit of those outside the government. The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the County's budget for the year.

Other supplementary information provides detailed information about the non-major governmental funds and the individual fiduciary funds.

Reporting the County as a Whole

The Statement of Net Assets and the Statement of Activities

The government-wide financial statements report information about Iowa County as a whole using accounting methods similar to those used in private-sector companies. The statement of Net Assets includes all of Iowa County's assets and liabilities. All the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when the cash was received or paid.

The County's governmental activities are displayed in the statement of net assets and the statement of activities. 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.

Fund Financial Statements

The fund financial statements provide more detailed information about Iowa County's funds, focusing on its most significant or "major" funds – not Iowa County as a whole. Funds are accounting devices Iowa County uses to keep track of specific sources of funding and spending on particular programs.

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 include: the General Fund, the Special Revenue Funds such as Mental Health, Rural Services, and Secondary Roads, the Debt Service Fund, and 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 County programs.

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, among which are included Emergency Management Services, the County Assessor, and the E-911 Service Board.

The Fiduciary funds required financial statements include a statement of fiduciary assets and liabilities.

A summary reconciliation between the government-wide financial statements and the fund financial statements follows the fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS
Changes in Net Assets of Governmental Activities

Program Revenues	2007	2008	Difference	% of Change
Charges for services	1,454,393	1,569,625	115,232	7.92%
Operating Grants	3,999,863	4,224,591	224,728	5.62%
Capital Grants	1,208,229	2,115,985	907,756	75.13%
General Revenue				
Property and other taxes				
General Purposes	4,938,163	5,172,929	234,766	4.75%
Debt Service	369,292	458,010	88,718	24.02%
Penalty & Property Tax Interest	36,234	45,441	9,207	25.41%
State Tax Credits	270,676	279,656	8,980	3.32%
Local Option Sales & Service Tax	1,308,175	1,286,599	-21,576	-1.65%
Hotel/Motel Tax	262,212	326,378	64,166	24.47%
Unrestricted Investment Earnings	270,758	199,783	-70,975	-26.21%
Miscellaneous	47,729	34,193	-13,536	-28.36%
Total Revenues	14,165,724	15,713,190	1,547,466	10.92%
Expenses				
Public Safety & Legal Services	2,325,907	2,449,818	123,911	5.33%
Physical Health & Social Services	915,743	922,492	6,749	0.74%
Mental Health	1,258,585	1,365,781	107,196	8.52%
County Environment & Education	822,041	880,656	58,615	7.13%
Roads & Transportation	5,469,201	5,904,548	435,347	7.96%
Government Services to Residents	421,281	482,617	61,336	14.56%
Administration	1,547,678	1,477,570	-70,108	-4.53%
Non-Program	32,190	54,102	21,912	68.07%
Interest on Long Term Debt	206,111	207,442	1,331	0.65%
Total Expenses	12,998,737	13,745,026	746,289	5.74%
Increase in Net Assets	1,166,987	1,968,164		
Net Assets beginning of the year	19,957,449	21,124,436		
Net Assets end of year	21,124,436	23,092,600		

NET ASSETS OF GOVERNMENTAL ACTIVITIES

	2007	2008	Difference	% of Change
Current & Other Assets	11,422,874	11,812,066	389,192	3.41%
Capital Assets	20,665,650	22,925,793	2,260,143	10.94%
Total Assets	32,088,524	34,737,859	2,649,335	8.26%
Long-Term Liabilities	4,858,563	5,252,504	393,941	8.11%
Other Liabilities	6,105,525	6,392,755	287,230	4.70%
Total Liabilities	10,964,088	11,645,259	681,171	6.21%
Net Assets				
Invested in Capital Assets, net of related debt	16,588,187	18,388,950	1,800,763	10.86%
Restricted	2,980,655	3,070,528	89,873	3.02%
Unrestricted	1,555,594	1,633,122	77,528	4.98%
Total Net Assets	21,124,436	23,092,600	1,968,164	9.32%

THE COUNTY'S INDIVIDUAL MAJOR FUNDS

As the County completed the year, the governmental funds reported a combined fund balance of \$5.4 million, as compared to last year's balance of \$5.3 million. The following are reasons for the changes in fund balances.

The General Fund revenues decreased by \$70,804 due to a lower tax levy and less interest earned. Expenditures increased \$132,112 because of building updates and employee wage and benefits increases.

The Secondary Road Fund revenues increased \$171,403, mainly because of FEMA grants. Expenditures had a net increase of \$365,073. Capital projects decreased by \$143,492 and roads and transportation expenditures increased \$508,565.

BUDGETARY HIGHLIGHTS

In accordance with the Code of Iowa, the Board of Supervisors annually adopts a budget following the required public notice and hearing for all funds, except blended component units and agency funds. Although the budget document presents functional disbursements by fund, the legal level of control is at the aggregated functional level, not at the fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The County budget is prepared on the cash basis. Over the course of the year, the County amended its operating budget two times. The amendments were made on October 26, 2007, and April 17, 2008, and resulted in a \$1,399,810 increase in expenditures and a \$553,856 increase in revenues from the original certified budget. The Drainage District repairs, courthouse improvements, and Secondary Roads FEMA dollars were the primary reason for the amendments to the budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

At the year end Iowa County had approximately \$23 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges, net of approximately \$13 million of accumulated depreciation.

More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

LONG-TERM OBLIGATIONS

At year end, the County had \$4,620,000 in bonds, notes and drainage warrants payable compared to \$4,320,000 last year. The County offered a one-time voluntary separation benefit to full time secondary road employees which resulted in a \$27,500 obligation. The County sold \$520,000 in general obligation bonds for courthouse improvement with an interest rate of 4.02% payable through June 30, 2013. The County also sold drainage district warrants of \$180,000 with an interest rate of 4.45%. They will be paid in full by June 30, 2016.

The Constitution of the State of Iowa limits the amount of general obligation debt that counties can issue to 5 percent of the assessed value of all taxable property within the County's corporate limits. The County's outstanding general obligation debt is significantly below the limit.

Other obligations include accrued vacation pay and sick leave. More detailed information about the County's long-term liabilities is presented in Note 6 to the financial statements.

ECONOMIC FACTORS, AND NEXT YEAR'S BUDGETS AND RATES

Iowa County's elected and appointed officials and citizens considered many factors when setting the fiscal year budget, tax rate, and the fees that will be charged for the various County services. Factors include the economy, changes in real estate valuations, and reduction in state funding.

The County added no major new programs or initiatives to the 2009 budget year.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This management's discussion and analysis is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Iowa County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Auditor's Office, Iowa County, 970 Court Ave., Marengo, IA 52301.

Prepared by: Linda Griggs, Iowa County Auditor

Basic Financial Statements

IOWA COUNTY
STATEMENT OF NET ASSETS
June 30, 2008

	<u>Governmental Activities</u>
Assets	
Cash and pooled investments	\$ 4,977,444
Receivables:	
Property tax:	
Delinquent	9,748
Succeeding year	5,844,000
Interest and penalty on property tax	15,260
Accounts	69,973
Accrued interest	7,809
Drainage assessments	14,558
Due from other governments	699,270
Inventories	174,004
Capital assets, net of accumulated depreciation (note 4)	<u>22,925,793</u>
 Total assets	 <u>34,737,859</u>
Liabilities	
Accounts payable	293,122
Salaries and benefits payable	65,837
Due to other governments (note 5)	169,902
Accrued interest payable	19,894
Deferred revenue:	
Succeeding year property tax	5,844,000
Long-term liabilities (note 6):	
Portion due or payable within one year:	
Termination benefits	27,500
General obligation bonds	355,000
Road use tax revenue notes	70,000
Drainage district warrants	20,000
Compensated absences	544,501
Portion due or payable after one year:	
General obligation bonds	3,700,000
Road use tax revenue notes	315,000
Drainage district warrants	160,000
Compensated absences	<u>60,503</u>
 Total liabilities	 <u>11,645,259</u>

IOWA COUNTY
STATEMENT OF NET ASSETS
June 30, 2008

	<u>Governmental Activities</u>
Net Assets	
Invested in capital assets, net of related debt	\$ 18,388,950
Restricted for:	
Supplemental levy purposes	545,177
Mental health purposes	343,488
Rural services	254,650
Secondary roads	882,501
Debt service	41,331
Other special revenue purposes	958,347
Pioneer cemetery	33,841
Prisoner room and board	11,193
Unrestricted	<u>1,633,122</u>
Total net assets	<u>\$ 23,092,600</u>

See notes to financial statements.

IOWA COUNTY
STATEMENT OF ACTIVITIES
Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and and Changes in Net Assets
		Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
Governmental Activities:					
Public safety and legal services	\$ 2,449,818	\$ 734,103	\$ 51,818	\$ -	\$ (1,663,897)
Physical health and social services	922,492	236,915	386,903	-	(298,674)
Mental health	1,365,781	7,078	647,622	-	(711,081)
County environment and education	880,656	107,239	83,665	-	(689,752)
Roads and transportation	5,904,548	46,389	3,042,529	2,115,985	(699,645)
Government services to residents	482,617	307,541	12,054	-	(163,022)
Administration	1,477,570	130,360	-	-	(1,347,210)
Non-program	54,102	-	-	-	(54,102)
Interest on long-term debt	207,442	-	-	-	(207,442)
Total	\$ 13,745,026	\$ 1,569,625	\$ 4,224,591	\$ 2,115,985	(5,834,825)

General Revenues:

Property and other county tax levied for:	
General purposes	5,172,929
Debt service	458,010
Penalty and interest on property tax	45,441
State tax credits	279,656
Local option sales and services tax	1,286,599
Hotel/motel tax	326,378
Unrestricted investment earnings	199,783
Miscellaneous	34,193
Total general revenues	7,802,989
Change in net assets	1,968,164
Net assets beginning of year	21,124,436
Net assets end of year	\$ 23,092,600

See notes to financial statements.

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IOWA COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2008

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Assets				
Cash and pooled investments	\$ 2,455,292	\$ 536,995	\$ 295,197	\$ 750,473
Receivables:				
Property tax:				
Delinquent	5,079	1,094	2,775	-
Succeeding year	3,027,000	652,000	1,636,000	-
Interest and penalty on property tax	15,260	-	-	-
Accounts	49,318	1,122	-	2,774
Accrued interest	6,403	-	-	-
Drainage assessments	-	-	-	-
Due from other governments	49,339	13,183	-	413,510
Inventories	-	-	-	174,004
 Total assets	 <u>\$ 5,607,691</u>	 <u>\$ 1,204,394</u>	 <u>\$ 1,933,972</u>	 <u>\$ 1,340,761</u>

<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 939,487	\$ 4,977,444
800	9,748
529,000	5,844,000
-	15,260
16,759	69,973
1,406	7,809
14,558	14,558
223,238	699,270
-	174,004
<u>\$ 1,725,248</u>	<u>\$ 11,812,066</u>

IOWA COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2008

	Special Revenue			
General	Mental Health	Rural Services	Secondary Roads	
 Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 69,277	\$ 23,373	\$ -	\$ 105,588
Salaries and benefits payable	24,413	304	-	41,120
Due to other governments (note 5)	1,874	167,942	-	86
Deferred revenue:				
Succeeding year property tax	3,027,000	652,000	1,636,000	-
Other	20,339	8,366	2,775	-
Total liabilities	3,142,903	851,985	1,638,775	146,794
 Fund balance:				
Reserved for:				
Inventories	-	-	-	174,004
Supplemental levy purposes	592,209	-	-	-
Debt service	-	-	-	-
Prisoner room and board	11,193	-	-	-
Cemetery levy	33,819	-	-	-
Unreserved, designated for:				
Data processing	20,000	-	-	-
Unreserved, undesignated, reported in:				
General fund	1,807,567	-	-	-
Special revenue funds	-	352,409	295,197	1,019,963
Capital projects fund	-	-	-	-
Total fund balances	2,464,788	352,409	295,197	1,193,967
 Total liabilities and fund balances	 \$ 5,607,691	 \$ 1,204,394	 \$ 1,933,972	 \$ 1,340,761

See notes to financial statements.

<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 94,884	\$ 293,122
-	65,837
-	169,902
529,000	5,844,000
15,358	46,838
639,242	6,419,699
-	174,004
-	592,209
54,927	54,927
-	11,193
-	33,819
-	20,000
-	1,807,567
947,922	2,615,491
83,157	83,157
1,086,006	5,392,367
\$ 1,725,248	\$ 11,812,066

IOWA COUNTY

RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
June 30, 2008

Total fund balances of governmental funds	\$ 5,392,367
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. The cost of assets is \$36,229,589 and the accumulated depreciation is \$13,303,796.	22,925,793
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the governmental funds.	46,838
Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(19,894)
Long-term liabilities, including termination benefits, bonds and notes payable and compensated absences payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	<u>(5,252,504)</u>
Net assets of governmental activities	<u>\$ 23,092,600</u>

See notes to financial statements.

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IOWA COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 Year Ended June 30, 2008

	General	Special Revenue		
		Mental Health	Rural Services	Secondary Roads
Revenues:				
Property and other County tax	\$ 3,007,866	\$ 651,580	\$ 1,474,007	\$ 1,286,599
Interest and penalty on property tax	43,903	-	-	-
Intergovernmental	830,305	673,724	74,302	2,935,899
Licenses and permits	20,299	-	-	1,888
Charges for service	995,876	1,000	-	-
Use of money and property	300,106	-	-	-
Miscellaneous	73,117	6,079	-	44,501
Total revenues	<u>5,271,472</u>	<u>1,332,383</u>	<u>1,548,309</u>	<u>4,268,887</u>
Expenditures:				
Operating:				
Public safety and legal services	2,038,262	-	344,286	-
Physical health and social services	880,585	-	-	-
Mental health	-	1,363,008	-	-
County environment and education	401,496	-	200,636	-
Roads and transportation	-	-	-	4,938,117
Government services to residents	477,096	-	-	-
Administration	1,431,429	-	3,211	-
Non-program	1,141	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	264,044
Total expenditures	<u>5,230,009</u>	<u>1,363,008</u>	<u>548,133</u>	<u>5,202,161</u>
Excess (deficiency) of revenues over (under) expenditures	<u>41,463</u>	<u>(30,625)</u>	<u>1,000,176</u>	<u>(933,274)</u>
Other financing sources (uses):				
Interfund transfers in (note 3)	100,000	-	-	1,092,000
Interfund transfers out (note 3)	-	-	(1,092,000)	-
Drainage warrants issued	-	-	-	-
General obligation bonds issued	-	-	-	-
Total other financing sources (uses)	<u>100,000</u>	<u>-</u>	<u>(1,092,000)</u>	<u>1,092,000</u>

Nonmajor Governmental		
Funds		Total
\$ 825,142	\$	7,245,194
-		43,903
364,301		4,878,531
-		22,187
153,848		1,150,724
38,688		338,794
9,864		133,561
<u>1,391,843</u>		<u>13,812,894</u>

13,433		2,395,981
880		881,465
-		1,363,008
247,523		849,655
6,400		4,944,517
1,298		478,394
-		1,434,640
182,517		183,658
602,983		602,983
992,602		1,256,646
<u>2,047,636</u>		<u>14,390,947</u>

<u>(655,793)</u>		<u>(578,053)</u>
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84,445		1,276,445
(184,445)		(1,276,445)
180,000		180,000
520,000		520,000
<u>600,000</u>		<u>700,000</u>

IOWA COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 Year Ended June 30, 2008

		<u>Special Revenue</u>		
	<u>General</u>	<u>Mental Health</u>	<u>Rural Services</u>	<u>Secondary Roads</u>
Net change in fund balances	\$ 141,463	\$ (30,625)	\$ (91,824)	\$ 158,726
Fund balances beginning of year	<u>2,323,325</u>	<u>383,034</u>	<u>387,021</u>	<u>1,035,241</u>
Fund balances end of year	<u>\$ 2,464,788</u>	<u>\$ 352,409</u>	<u>\$ 295,197</u>	<u>\$ 1,193,967</u>

See notes to financial statements.

Nonmajor Governmental Funds		Total
\$	(55,793)	\$ 121,947
	<u>1,141,799</u>	<u>5,270,420</u>
\$	<u><u>1,086,006</u></u>	\$ <u><u>5,392,367</u></u>

IOWA COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2008

Net change in fund balances - total governmental funds \$ 121,947

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

Governmental funds report capital outlays as expenditures while
governmental activities report depreciation expense to allocate those
expenditures over the life of the assets. The amount of capital outlay
expenditures and depreciation expense in the current year are as follows:

	\$		
Expenditures for capital assets		1,901,355	
Capital assets contributed by the Iowa Department of Transportation		1,915,822	
Depreciation expense		<u>(1,557,034)</u>	2,260,143

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, as follows:

Property tax		(848)	
Penalty and interest on property tax		1,478	
Other		<u>(16,156)</u>	(15,526)

Proceeds from issuing long-term liabilities provide current financial resources
to governmental funds, but issuing debt increases long-term liabilities in the
Statement of Net Assets. (700,000)

Repayment of bond and note principal is an expenditure in the governmental
funds, but the repayment reduces long-term liabilities in the Statement of
Net Assets. 400,000

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 the governmental funds, as follows:

Compensated absences		(66,441)	
Termination benefits		(27,500)	
Interest on long-term debt		<u>(4,459)</u>	<u>(98,400)</u>

Change in net assets of governmental activities \$ 1,968,164

See notes to financial statements.

IOWA COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2008

Assets

Cash and pooled investments:	
County Treasurer	\$ 888,715
Other County officials	9,636
Receivables:	
Property tax:	
Delinquent	24,799
Succeeding year	15,007,000
Accounts	39,719
Accrued interest	<u>2</u>
 Total assets	 \$ <u><u>15,969,871</u></u>

Liabilities

Accounts payable	\$ 1,695
Due to other governments (note 5)	15,927,427
Trusts payable	9,490
Compensated absences	<u>31,259</u>
 Total liabilities	 \$ <u><u>15,969,871</u></u>

See notes to financial statements.

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2008

Note 1. Summary of Significant Accounting Policies

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

The County'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.

A. Reporting Entity

For financial reporting purposes, Iowa County has included all funds, organizations, 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 Iowa County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

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

Two 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 Iowa County Board of Supervisors. The drainage districts are reported as a Special Revenue Fund. Financial information of the drainage districts can be obtained from the Iowa 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: Iowa County Assessor's Conference Board, Iowa County Emergency Management Commission, and Iowa County Joint E-911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Agency Funds of the County.

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2008

Note 1. Summary of Significant Accounting Policies (continued)

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 County 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 attributable 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 which 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 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, contributions and interest 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 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 nonmajor governmental funds.

The County reports the following major governmental funds:

The General Fund is the general operating fund of the County. All general tax revenues and other revenues 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 expenditures, the fixed charges and the capital improvement costs that are not paid from other funds.

Special Revenue:

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.

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2008

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Special Revenue (continued):

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.

The Secondary Roads Fund is used to account for secondary road construction and maintenance.

Additionally, the County reports the following funds:

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

C. Measurement Focus and Basis of Accounting

The government-wide and fiduciary fund 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. 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.

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 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 liabilities and acquisitions under capital leases are reported as other financing sources.

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2008

Note 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement 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-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

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

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the financial statements:

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

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

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

The property tax revenue recognized in these funds becomes 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, 2006 assessed property valuations; is for the tax accrual period July 1, 2007 through June 30, 2008 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2007.

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.

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity (continued)

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.

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

Inventories – Inventories are valued at cost using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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 County), 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.

Asset Class	Amount
Infrastructure	\$ 100,000
Land, buildings and improvements	25,000
Equipment and vehicles	5,000

Capital assets of the County are depreciated using the straight line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (In Years)
Buildings	25-50
Improvements other than buildings	10-50
Infrastructure	10-65
Equipment	3-20
Vehicles	5-15

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2008

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity (continued)

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

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

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

Deferred revenue in 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.

Long-term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Assets.

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.

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is recorded in the 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, 2008. The compensated absences liability attributable to the governmental activities will be paid primarily by the General, Mental Health, Rural Services and Secondary Roads Funds.

Fund Balances – 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.

Restricted Net Assets – In the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Net assets restricted through enabling legislation as of June 30, 2008 consists of \$3,070,528.

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

Note 1. Summary of Significant Accounting Policies (continued)

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2008, disbursements did not exceed the amounts budgeted in any County function.

Note 2. Cash and Pooled Investments

The County's deposits in banks at June 30, 2008 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. The chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

The County's funds are all deposited in financial institution depository accounts.

Note 3. Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2008 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Special Revenue: Secondary Roads	Special Revenue: Rural Services	\$ 1,092,000
General	Hotel/Motel Tax	100,000
Debt Service: Debt Service Sinking	Amana Villages	<u>84,445</u>
		<u>\$ 1,276,445</u>

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

IOWA COUNTY
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

Note 4. Capital Assets

A summary of capital assets activity for the year ended June 30, 2008 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,190,371	\$ -	\$ -	\$ 1,190,371
Construction in progress	164,250	1,000,090	844,802	319,538
Total capital assets not being depreciated	<u>1,354,621</u>	<u>1,000,090</u>	<u>844,802</u>	<u>1,509,909</u>
Capital assets being depreciated:				
Buildings	6,076,502	844,802	-	6,921,304
Machinery and equipment	5,777,870	901,265	532,875	6,146,260
Infrastructure	19,736,294	1,915,822	-	21,652,116
Total capital assets being depreciated	<u>31,590,666</u>	<u>3,661,889</u>	<u>532,875</u>	<u>34,719,680</u>
Less accumulated depreciation for:				
Buildings	2,091,066	201,336	-	2,292,402
Machinery and equipment	4,216,046	652,465	532,875	4,335,636
Infrastructure	5,972,525	703,233	-	6,675,758
Total accumulated depreciation	<u>12,279,637</u>	<u>1,557,034</u>	<u>532,875</u>	<u>13,303,796</u>
Total capital assets being depreciated, net	<u>19,311,029</u>	<u>2,104,855</u>	<u>-</u>	<u>21,415,884</u>
Governmental activities capital assets, net	<u>\$ 20,665,650</u>	<u>\$ 3,104,945</u>	<u>\$ 844,802</u>	<u>\$ 22,925,793</u>

IOWA COUNTY
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

Note 4. Capital Assets (continued)

Depreciation expense was charged to the following functions:

Governmental activities:		
Public safety and legal services	\$	250,131
Physical health and social services		31,385
Mental health		875
County environment and education		19,112
Roads and transportation		1,166,875
Government services to residents		1,178
Administration		<u>87,478</u>
Total depreciation expense - governmental activities	\$	<u><u>1,557,034</u></u>

Note 5. Due to Other Governments

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

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
General	Services	\$ 1,874
Special Revenue:		
Mental Health		167,942
Secondary Roads		<u>86</u>
Total for governmental funds		<u><u>\$ 169,902</u></u>
Agency:		
County Assessor	Collections	\$ 520,604
Townships		207,661
Schools		10,195,421
Corporations		3,697,488
Area Schools		590,831
Auto License and Use Tax		322,667
All Other		<u>392,755</u>
Total for agency funds		<u><u>\$ 15,927,427</u></u>

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

Note 6. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2008 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Due Within One Year
Termination Benefits	\$ -	\$ 55,000	\$ 27,500	\$ 27,500	\$ 27,500
General Obligation Hotel/Motel Tax Bonds	130,000	-	40,000	90,000	45,000
General Obligation County Law Enforcement Center Bonds	3,415,000	-	145,000	3,270,000	150,000
General Obligation Courthouse Improvement Bonds	325,000	520,000	150,000	695,000	160,000
Road Use Tax Revenue Notes	450,000	-	65,000	385,000	70,000
Drainage Warrants	-	180,000	-	180,000	20,000
Compensated Absences	538,563	610,942	544,501	605,004	544,501
Total	<u>\$ 4,858,563</u>	<u>\$ 1,365,942</u>	<u>\$ 972,001</u>	<u>\$ 5,252,504</u>	<u>\$ 1,017,001</u>

Termination Benefits

The County offered a one-time voluntary termination benefit to its full-time Secondary Road employees for the year ended June 30, 2008. Employees had to complete an application which was required to be approved by the Board of Supervisors and had to terminate employment effective not later than June 30, 2008.

The termination incentive for each eligible employee is equal to \$1,000 for each full year of service to the County. Payment will be made in two equal sums on June 30, 2008, and January 15, 2009.

At June 30, 2008, the County has obligations to two participants with a total liability of \$27,500. Actual termination expenditures for the year ended June 30, 2008 totaled \$27,500. The cost of termination benefits is recorded as a liability of the Governmental Activities in the government-wide financial statements.

General Obligation Hotel/Motel Tax Bonds Payable

A summary of the County's June 30, 2008 general obligation hotel/motel tax bonded indebtedness is as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2009	3.20 %	\$ 45,000	\$ 2,720	\$ 47,720
2010	3.50	45,000	1,360	46,360
		<u>\$ 90,000</u>	<u>\$ 4,080</u>	<u>\$ 94,080</u>

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2008

Note 6. Long-Term Liabilities (continued)

General Obligation County Law Enforcement Center Bonds

A summary of the County's June 30, 2008, general obligation County law enforcement center bonded indebtedness is as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2009	3.20 %	\$ 150,000	\$ 144,543	\$ 294,543
2010	3.40	155,000	139,742	294,742
2011	3.60	160,000	134,473	294,473
2012	3.80	165,000	128,712	293,712
2013	3.95	175,000	122,443	297,443
2014	4.10	180,000	115,530	295,530
2015	4.20	185,000	108,150	293,150
2016	4.35	195,000	100,380	295,380
2017	4.45	205,000	91,897	296,897
2018	4.55	210,000	82,775	292,775
2019	4.65	220,000	73,220	293,220
2020	4.75	230,000	62,990	292,990
2021	4.85	240,000	52,065	292,065
2022	4.95	255,000	40,425	295,425
2023	5.05	265,000	27,802	292,802
2024	5.15	280,000	14,420	294,420
		\$ 3,270,000	\$ 1,439,567	\$ 4,709,567

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

Note 6. Long-Term Liabilities (continued)

General Obligation Courthouse Improvement Bonds

During the year ended June 30, 2008, the County issued \$520,000 in general obligation courthouse improvement bonds with an interest rate of 4.02% and payable through the year ending June 30, 2013.

Details of the County's general obligation courthouse improvement bonded indebtedness at June 30, 2008 are as follows:

Year Ending June 30,	Issue Dated August 15, 2006			
	Interest Rates	Principal	Interest	Total
2009	4.10 %	\$ 80,000	\$ 10,378	\$ 90,378
2010	4.15	85,000	7,097	92,097
2011	4.20	85,000	3,570	88,570
2012	-	-	-	-
2013	-	-	-	-
Subtotal		250,000	21,045	271,045

Year Ending June 30,	Issue Dated August 20, 2007			
	Interest Rates	Principal	Interest	Total
2009	4.02 %	\$ 80,000	\$ 17,889	\$ 97,889
2010	4.02	85,000	14,673	99,673
2011	4.02	90,000	11,256	101,256
2012	4.02	95,000	7,638	102,638
2013	4.02	95,000	3,819	98,819
Subtotal		445,000	55,275	500,275
Total		\$ 695,000	\$ 76,320	\$ 771,320

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

Note 6. Long-Term Liabilities (continued)

Road Use Tax Revenue Notes

Details of the County's road use tax revenue notes at June 30, 2008 are as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2009	4.15 %	\$ 70,000	\$ 16,380	\$ 86,380
2010	4.20	75,000	13,475	88,475
2011	4.25	75,000	10,325	85,325
2012	4.30	80,000	7,137	87,137
2013	4.35	85,000	3,698	88,698
		<u>\$ 385,000</u>	<u>\$ 51,015</u>	<u>\$ 436,015</u>

The County pledged future road use tax revenues to repay the \$450,000 notes issued in August 2006. The notes were issued for the purpose of financing a portion of the costs of improvements to County roads located in the Amana Villages. The notes are payable solely from the proceeds of the road use tax revenues received by the County for use in the Amana Villages in accordance with Chapter 331 of the Code of Iowa. The notes are payable through 2013. The notes are not a general obligation of the County. However, the debt is subject to the constitutional debt limitation of the County. Annual principal and interest payments on the notes are expected to require approximately 73 percent of the road use tax revenues dedicated to the Amana Villages. The total principal and interest remaining to be paid on the notes is \$436,015. For the current year, principal and interest of \$84,045 was paid on the notes and total road use tax revenues dedicated to the Amana Villages were \$119,096.

The resolution providing for the issuance of the road use tax revenue notes includes the following provisions:

- (a) The notes will only be redeemed from the future earnings of the road use tax revenues received by the County as noted above and the bond holders hold a lien on the future revenues received.
- (b) Sufficient monthly deposits amounting to one sixth of the next principal and interest payments shall be made to the Road Use Tax Revenue Notes Sinking Fund for the purpose of making the bond principal and interest payments when due.

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

Note 6. Long-Term Liabilities (continued)

Drainage Warrants

During the year ended June 30, 2008, the County issued \$180,000 in drainage warrants with an interest rate of 4.45%. The drainage warrants are payable through the year ending June 30, 2016.

Details of the County's drainage warrants at June 30, 2008 are as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2009	4.45 %	\$ 20,000	\$ 8,032	\$ 28,032
2010	4.45	20,000	7,120	27,120
2011	4.45	20,000	6,230	26,230
2012	4.45	20,000	5,340	25,340
2013	4.45	20,000	4,462	24,462
2014	4.45	20,000	3,560	23,560
2015	4.45	30,000	2,670	32,670
2016	4.45	30,000	1,335	31,335
		<u>\$ 180,000</u>	<u>\$ 38,749</u>	<u>\$ 218,749</u>

Note 7. Urban Renewal Development Agreement

During the year ended June 30, 2005, the County entered into an urban renewal agreement to enable local economic expansion. The County has agreed to make economic development tax increment payments of \$.80 on each incremental dollar to the developer up to a maximum total of \$500,000. Beginning December 1, 2006, the payments will be made semi-annually through June 1, 2019, or until the developer's costs of \$500,000 have been met. The project is an expansion of a local hotel complex. The County is unable to prepare an amortization schedule for development payments due to the fluctuations inherent in property valuations and tax collections. The County paid \$40,742 in development payments to the contractor for the year ended June 30, 2008. Total payments made on the agreement through June 30, 2008 total \$79,410, with a remaining balance of \$420,590.

Note 8. Pension and Retirement Benefits

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

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2008

Note 8. Pension and Retirement Benefits (continued)

Most regular plan members are required to contribute 3.90% of their annual covered salary and the County is required to contribute 6.05% of covered salary. Certain employees in special risk occupations and the County contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2008, 2007 and 2006 were \$266,065, \$245,535 and \$231,301, respectively, equal to the required contributions for each year.

Note 9. Risk Management

Iowa County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 556 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine, and boiler/machinery. There have been no reductions in insurance coverage from prior years.

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

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

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's annual contributions to the Pool for the year ended June 30, 2008 were \$201,547.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured in an amount not to exceed \$2,650,000 per claim and \$10,000,000 in aggregate per year. For members requiring specific coverage from \$3,000,000 to \$10,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$100,000 each occurrence, each location, with excess coverage reinsured on an individual member basis.

IOWA COUNTY

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

Note 9. Risk Management (continued)

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2008, no liability has been recorded in the County's financial statements. As of June 30, 2008, settled claims have not exceeded the risk pool or reinsurance company coverage since the pool's inception.

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

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$5,000,000 and \$20,000 (\$50,000 for County Treasurer), respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 10. Construction Commitment

The County has entered into two contracts totaling \$1,601,406 for drainage improvements and the Amana Village road project. As of June 30, 2008, costs of \$319,538 have been incurred against the contracts. The balance remaining at June 30, 2008 of \$1,281,868 will be paid as work on the projects progresses.

Note 11. Contingent Liabilities

Litigation

The County is involved in an ongoing lawsuit alleging sexual harassment and discrimination in relation to a former employee's job duties. The outcome of this case cannot be determined at this time and the County's insurance carrier is affording coverage.

Note 12. Subsequent Events

In July, 2008, the County issued \$430,000 of general obligation computer data base system bonds with interest rates ranging from 3.15% to 3.45%, payable through the year ending June 30, 2014. In October, 2008 the County also issued \$50,000 in drainage warrants with an interest rate of 4.95%, payable through the year ending June 30, 2019.

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Required Supplementary Information

IOWA COUNTY

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, 2008

	Actual	Less Funds not Required to be Budgeted	Net
RECEIPTS:			
Property and other County tax	\$ 7,442,662	\$ -	\$ 7,442,662
Interest and penalty on property tax	43,947	-	43,947
Intergovernmental	4,570,033	3,695	4,566,338
Licenses and permits	25,506	-	25,506
Charges for service	1,170,127	-	1,170,127
Use of money and property	368,093	21,694	346,399
Miscellaneous	136,208	-	136,208
Total receipts	<u>13,756,576</u>	<u>25,389</u>	<u>13,731,187</u>
DISBURSEMENTS:			
Public safety and legal services	2,404,765	-	2,404,765
Physical health and social services	885,508	-	885,508
Mental health	1,340,625	-	1,340,625
County environment and education	851,063	-	851,063
Roads and transportation	4,935,390	-	4,935,390
Government services to residents	479,323	-	479,323
Administration	1,488,516	-	1,488,516
Non-program	180,422	179,281	1,141
Debt service	602,983	-	602,983
Capital projects	1,166,956	-	1,166,956
Total disbursements	<u>14,335,551</u>	<u>179,281</u>	<u>14,156,270</u>
Excess (deficiency) of receipts over (under) disbursements	(578,975)	(153,892)	(425,083)
Other financing sources, net	<u>700,000</u>	<u>180,000</u>	<u>520,000</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	121,025	26,108	94,917
Balance beginning of year	<u>4,856,419</u>	<u>108,751</u>	<u>4,747,668</u>
Balance end of year	<u>\$ 4,977,444</u>	<u>\$ 134,859</u>	<u>\$ 4,842,585</u>

See accompanying independent auditor's report.

Budgeted Amounts		Final to Net Variance
Original	Final	
\$ 7,223,589	\$ 7,223,589	\$ 219,073
35,500	35,500	8,447
5,624,236	6,079,840	(1,513,502)
26,100	26,100	(594)
869,027	949,600	220,527
283,456	283,456	62,943
79,430	97,109	39,099
<u>14,141,338</u>	<u>14,695,194</u>	<u>(964,007)</u>
2,432,140	2,524,140	119,375
897,074	935,470	49,962
1,484,405	1,484,405	143,780
877,473	901,023	49,960
4,554,425	5,188,221	252,831
491,560	516,560	37,237
1,463,002	1,565,870	77,354
24,120	279,320	278,179
607,416	607,416	4,433
1,976,000	2,205,000	1,038,044
<u>14,807,615</u>	<u>16,207,425</u>	<u>2,051,155</u>
(666,277)	(1,512,231)	1,087,148
<u>491,000</u>	<u>671,000</u>	<u>(151,000)</u>
(175,277)	(841,231)	936,148
<u>4,062,697</u>	<u>4,856,419</u>	<u>(108,751)</u>
<u>\$ 3,887,420</u>	<u>\$ 4,015,188</u>	<u>\$ 827,397</u>

IOWA COUNTY

Budgetary Comparison Schedule – Budget to GAAP Reconciliation
 Required Supplementary Information
 Year Ended June 30, 2008

	Governmental Funds		
	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis
Revenues	\$ 13,756,576	\$ 56,318	\$ 13,812,894
Expenditures	14,335,551	55,396	14,390,947
Net	(578,975)	922	(578,053)
Other financing sources, net	700,000	-	700,000
Beginning fund balances	4,856,419	414,001	5,270,420
Ending fund balances	<u>\$ 4,977,444</u>	<u>\$ 414,923</u>	<u>\$ 5,392,367</u>

See accompanying independent auditor's report.

IOWA COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING June 30, 2008

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

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, internal service funds, 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 ten major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, government services to residents, administration, 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 and Capital Projects Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$1,399,810. These budget amendments are 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 E-911 System by the Joint E-911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2008, disbursements did not exceed the amounts budgeted in any County function and disbursements did not exceed departmental appropriations.

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Other Supplementary Information

IOWA COUNTY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2008

	Special Revenue			
	County Recorder's Records Management	County Recorder's Electronic Transaction Fee	Drainage Districts	Conservation Land Acquisition
ASSETS				
Cash and pooled investments	\$ 9,129	\$ 913	\$ 134,859	\$ 209,413
Receivables:				
Property tax:				
Delinquent	-	-	-	-
Succeeding year	-	-	-	-
Accounts	-	-	-	12,311
Accrued interest	-	-	154	-
Drainage assessments	-	-	14,558	-
Due from other governments	-	-	-	-
	\$ 9,129	\$ 913	\$ 149,571	\$ 221,724
	\$ 9,129	\$ 913	\$ 149,571	\$ 221,724
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 4,066	\$ -
Deferred revenue:				
Succeeding year property tax	-	-	-	-
Other	-	-	14,558	-
Total liabilities	-	-	18,624	-
	-	-	18,624	-
Fund balances:				
Reserved for:				
Debt service	-	-	-	-
Unreserved:				
Undesignated	9,129	913	130,947	221,724
Total fund balances	9,129	913	130,947	221,724
	9,129	913	149,571	221,724
Total liabilities and fund balances	\$ 9,129	\$ 913	\$ 149,571	\$ 221,724

<u>Sheriff's Commissary</u>	<u>Conservation Donation</u>	<u>Hotel/ Motel Tax</u>	<u>Federal Emergency Management</u>	<u>REAP</u>	<u>Amana Villages</u>	<u>Fuller Green Valley</u>
\$ 4,031	\$ 24,115	\$ 79,509	\$ 1,262	\$ 755	\$ 270,597	\$ 10,747
-	-	-	-	-	-	-
-	-	-	-	-	-	-
202	-	-	-	-	-	-
-	-	-	-	-	406	-
-	-	-	-	-	-	-
-	-	91,171	-	-	132,067	-
<u>\$ 4,233</u>	<u>\$ 24,115</u>	<u>\$ 170,680</u>	<u>\$ 1,262</u>	<u>\$ 755</u>	<u>\$ 403,070</u>	<u>\$ 10,747</u>
\$ 50	\$ 168	\$ -	\$ -	\$ -	\$ 90,600	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>50</u>	<u>168</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,600</u>	<u>-</u>
-	-	-	-	-	-	-
4,183	23,947	170,680	1,262	755	312,470	10,747
<u>4,183</u>	<u>23,947</u>	<u>170,680</u>	<u>1,262</u>	<u>755</u>	<u>312,470</u>	<u>10,747</u>
<u>\$ 4,233</u>	<u>\$ 24,115</u>	<u>\$ 170,680</u>	<u>\$ 1,262</u>	<u>\$ 755</u>	<u>\$ 403,070</u>	<u>\$ 10,747</u>

IOWA COUNTY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2008

	Special Revenue			
	Pilot Grove Conservation	Tax Increment Financing	County Attorney Collections	County Sheriff Forfeiture
ASSETS				
Cash and pooled investments	\$ 3,980	\$ -	\$ 8,467	\$ 44,472
Receivables:				
Property tax:				
Delinquent	-	-	-	-
Succeeding year	-	43,000	-	-
Accounts	-	-	4,246	-
Accrued interest	-	-	-	-
Drainage assessments	-	-	-	-
Due from other governments	-	-	-	-
	\$ 3,980	\$ 43,000	\$ 12,713	\$ 44,472
	\$ 3,980	\$ 43,000	\$ 12,713	\$ 44,472
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	-
Deferred revenue:				
Succeeding year property tax	-	43,000	-	-
Other	-	-	-	-
Total liabilities	-	43,000	-	-
	-	43,000	-	-
Fund balances:				
Reserved for:				
Debt service	-	-	-	-
Unreserved:				
Undesignated	3,980	-	12,713	44,472
Total fund balances	3,980	-	12,713	44,472
	3,980	-	12,713	44,472
Total liabilities and fund balances	\$ 3,980	\$ 43,000	\$ 12,713	\$ 44,472

See accompanying independent auditor's report.

<u>Debt Service</u>			
<u>Debt Service</u>	<u>Debt Service Sinking</u>	<u>Capital Projects</u>	<u>Total</u>
\$ 12,704	\$ 42,223	\$ 82,311	\$ 939,487
800	-	-	800
486,000	-	-	529,000
-	-	-	16,759
-	-	846	1,406
-	-	-	14,558
-	-	-	223,238
<u>\$ 499,504</u>	<u>\$ 42,223</u>	<u>\$ 83,157</u>	<u>\$ 1,725,248</u>
\$ -	\$ -	\$ -	\$ 94,884
486,000	-	-	529,000
800	-	-	15,358
<u>486,800</u>	-	-	<u>639,242</u>
12,704	42,223	-	54,927
-	-	83,157	1,031,079
<u>12,704</u>	<u>42,223</u>	<u>83,157</u>	<u>1,086,006</u>
<u>\$ 499,504</u>	<u>\$ 42,223</u>	<u>\$ 83,157</u>	<u>\$ 1,725,248</u>

IOWA COUNTY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2008

	Special Revenue			
	County Recorder's Records Management	County Recorder's Electronic Transaction Fee	Drainage Districts	Conservation Land Acquisition
Revenues:				
Property and other County tax	\$ -	\$ -	\$ -	-
Intergovernmental	-	-	3,695	-
Charges for service	4,081	-	-	90,907
Use of money and property	71	10	21,586	-
Miscellaneous	-	-	-	-
Total revenues	<u>4,152</u>	<u>10</u>	<u>25,281</u>	<u>90,907</u>
Expenditures:				
Operating:				
Public safety and legal services	-	-	-	-
Physical health and social services	-	-	-	-
County environment and education	-	-	-	33,750
Roads and transportation	-	-	-	-
Government services to residents	1,298	-	-	-
Non-program	-	-	182,517	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Total expenditures	<u>1,298</u>	<u>-</u>	<u>182,517</u>	<u>33,750</u>
Excess (deficiency) of revenues over (under) expenditures	2,854	10	(157,236)	57,157
Other financing sources (uses):				
Interfund transfers in	-	-	-	-
Interfund transfers out	-	-	-	-
Drainage warrants issued	-	-	180,000	-
General obligation bonds issued	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>180,000</u>	<u>-</u>
Net change in fund balances	2,854	10	22,764	57,157
Fund balances beginning of year	<u>6,275</u>	<u>903</u>	<u>108,183</u>	<u>164,567</u>
Fund balances end of year	<u>\$ 9,129</u>	<u>\$ 913</u>	<u>\$ 130,947</u>	<u>\$ 221,724</u>

<u>Sheriff's Commissary</u>	<u>Conservation Donation</u>	<u>Hotel/ Motel Tax</u>	<u>Federal Emergency Management</u>	<u>REAP</u>	<u>Amana Villages</u>	<u>Fuller Green Valley</u>
\$ -	\$ -	326,378	\$ -	\$ -	\$ -	-
-	-	-	1,262	14,795	306,793	-
12,708	-	-	-	-	-	-
-	5	-	-	4	4,437	-
-	8,464	-	-	-	-	1,400
<u>12,708</u>	<u>8,469</u>	<u>326,378</u>	<u>1,262</u>	<u>14,799</u>	<u>311,230</u>	<u>1,400</u>
11,753	-	-	-	-	-	-
-	-	-	880	-	-	-
-	168	148,850	-	22,999	-	144
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	44,186	-	-	-	-
-	-	-	-	-	300,647	-
<u>11,753</u>	<u>168</u>	<u>193,036</u>	<u>880</u>	<u>22,999</u>	<u>300,647</u>	<u>144</u>
955	8,301	133,342	382	(8,200)	10,583	1,256
-	-	-	-	-	-	-
-	-	(100,000)	-	-	(84,445)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>(84,445)</u>	<u>-</u>
955	8,301	33,342	382	(8,200)	(73,862)	1,256
3,228	15,646	137,338	880	8,955	386,332	9,491
<u>\$ 4,183</u>	<u>\$ 23,947</u>	<u>\$ 170,680</u>	<u>\$ 1,262</u>	<u>\$ 755</u>	<u>\$ 312,470</u>	<u>\$ 10,747</u>

IOWA COUNTY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2008

	Special Revenue			
	Pilot Grove Conservation	Tax Increment Financing	Waldenburg Sealcoat	County Attorney Collections
Revenues:				
Property and other County tax	\$ -	\$ 40,742	\$ -	\$ -
Intergovernmental	4,500	-	-	11,590
Charges for service	-	-	-	-
Use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>4,500</u>	<u>40,742</u>	<u>-</u>	<u>11,590</u>
Expenditures:				
Operating:				
Public safety and legal services	-	-	-	-
Physical health and social services	-	-	-	-
County environment and education	870	40,742	-	-
Roads and transportation	-	-	6,400	-
Government services to residents	-	-	-	-
Non-program	-	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Total expenditures	<u>870</u>	<u>40,742</u>	<u>6,400</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	3,630	-	(6,400)	11,590
Other financing sources (uses):				
Interfund transfers in	-	-	-	-
Interfund transfers out	-	-	-	-
Drainage warrants issued	-	-	-	-
General obligation bonds issued	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3,630	-	(6,400)	11,590
Fund balances beginning of year	<u>350</u>	<u>-</u>	<u>6,400</u>	<u>1,123</u>
Fund balances end of year	<u>\$ 3,980</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,713</u>

See accompanying independent auditor's report.

County Sheriff Forfeiture	Debt Service			Capital Projects	Total
	Debt Service	Debt Service Sinking			
\$ -	\$ 458,022	\$ -	\$ -	\$ -	825,142
-	21,666	-	-	-	364,301
46,152	-	-	-	-	153,848
-	-	-	12,575	-	38,688
-	-	-	-	-	9,864
<u>46,152</u>	<u>479,688</u>	<u>-</u>	<u>12,575</u>	<u>-</u>	<u>1,391,843</u>
1,680	-	-	-	-	13,433
-	-	-	-	-	880
-	-	-	-	-	247,523
-	-	-	-	-	6,400
-	-	-	-	-	1,298
-	-	-	-	-	182,517
-	474,352	84,445	-	-	602,983
-	-	-	691,955	-	992,602
<u>1,680</u>	<u>474,352</u>	<u>84,445</u>	<u>691,955</u>	<u>-</u>	<u>2,047,636</u>
44,472	5,336	(84,445)	(679,380)		(655,793)
-	-	84,445	-	-	84,445
-	-	-	-	-	(184,445)
-	-	-	-	-	180,000
-	-	-	520,000	-	520,000
<u>-</u>	<u>-</u>	<u>84,445</u>	<u>520,000</u>	<u>-</u>	<u>600,000</u>
44,472	5,336	-	(159,380)		(55,793)
-	7,368	42,223	242,537		1,141,799
<u>\$ 44,472</u>	<u>\$ 12,704</u>	<u>\$ 42,223</u>	<u>\$ 83,157</u>	<u>\$ -</u>	<u>\$ 1,086,006</u>

IOWA COUNTY
 COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 June 30, 2008

	County Offices			Agricultural
	County Auditor	County Recorder	County Sheriff	Extension Education
ASSETS				
Cash and pooled investments:				
County Treasurer	\$ -	\$ -	\$ -	1,455
Other County officials	1,881	146	7,609	-
Receivables:				
Property tax:				
Delinquent	-	-	-	208
Succeeding year	-	-	-	124,000
Accounts	-	78	-	-
Accrued interest	-	-	-	-
Total assets	\$ <u>1,881</u>	\$ <u>224</u>	\$ <u>7,609</u>	\$ <u>125,663</u>
LIABILITIES				
Accounts payable	\$ -	\$ 50	\$ -	-
Due to other governments	-	174	-	125,663
Trusts payable	1,881	-	7,609	-
Compensated absences	-	-	-	-
Total liabilities	\$ <u>1,881</u>	\$ <u>224</u>	\$ <u>7,609</u>	\$ <u>125,663</u>

<u>County Assessor</u>	<u>Schools</u>	<u>Area Schools</u>	<u>Corporations</u>	<u>Townships</u>	<u>City Special Assessments</u>	<u>Auto License and Use Tax</u>
\$ 200,890	\$ 165,327	\$ 9,861	\$ 54,073	\$ 4,215	\$ 2,604	\$ 322,667
-	-	-	-	-	-	-
559	17,094	970	5,415	446	-	-
333,000	10,013,000	580,000	3,638,000	203,000	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 534,449</u>	<u>\$ 10,195,421</u>	<u>\$ 590,831</u>	<u>\$ 3,697,488</u>	<u>\$ 207,661</u>	<u>\$ 2,604</u>	<u>\$ 322,667</u>
\$ 146	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
520,604	10,195,421	590,831	3,697,488	207,661	2,604	322,667
-	-	-	-	-	-	-
13,699	-	-	-	-	-	-
<u>\$ 534,449</u>	<u>\$ 10,195,421</u>	<u>\$ 590,831</u>	<u>\$ 3,697,488</u>	<u>\$ 207,661</u>	<u>\$ 2,604</u>	<u>\$ 322,667</u>

IOWA COUNTY
 COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 June 30, 2008

	Brucellosis and Tuberculosis Eradication	Emergency Management	Fire Districts	Amana Land Use District
ASSETS				
Cash and pooled investments:				
County Treasurer	\$ 40	\$ 52,518	\$ 767	\$ 167
Other County officials	-	-	-	-
Receivables:				
Property tax:				
Delinquent	3	-	101	-
Succeeding year	2,000	-	67,000	23,000
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Total assets	<u>\$ 2,043</u>	<u>\$ 52,518</u>	<u>\$ 67,868</u>	<u>\$ 23,167</u>
LIABILITIES				
Accounts payable	\$ -	\$ 1,345	\$ -	\$ -
Due to other governments	2,043	51,173	67,868	23,167
Trusts payable	-	-	-	-
Compensated absences	-	-	-	-
Total liabilities	<u>\$ 2,043</u>	<u>\$ 52,518</u>	<u>\$ 67,868</u>	<u>\$ 23,167</u>

See accompanying independent auditor's report.

<u>Sanitary Districts</u>	<u>E-911 Service Commission</u>	<u>E-911 Surcharge</u>	<u>Tax Sale Redemption</u>	<u>Monies/ Credit Loans Credit</u>	<u>Recorder's Electronic Transaction Fees</u>	<u>Total</u>
\$ 246	\$ 30,675	\$ 40,027	\$ (20)	\$ 2,593	\$ 610	\$ 888,715
-	-	-	-	-	-	9,636
3	-	-	-	-	-	24,799
24,000	-	-	-	-	-	15,007,000
-	7,012	32,629	-	-	-	39,719
-	-	2	-	-	-	2
<u>\$ 24,249</u>	<u>\$ 37,687</u>	<u>\$ 72,658</u>	<u>\$ (20)</u>	<u>\$ 2,593</u>	<u>\$ 610</u>	<u>\$ 15,969,871</u>
\$ -	\$ -	\$ 154	\$ -	\$ -	\$ -	\$ 1,695
24,249	37,687	54,944	(20)	2,593	610	15,927,427
-	-	-	-	-	-	9,490
-	-	17,560	-	-	-	31,259
<u>\$ 24,249</u>	<u>\$ 37,687</u>	<u>\$ 72,658</u>	<u>\$ (20)</u>	<u>\$ 2,593</u>	<u>\$ 610</u>	<u>\$ 15,969,871</u>

IOWA COUNTY

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended June 30, 2008

	County Offices			Agricultural Extension Education
	County Auditor	County Recorder	County Sheriff	
ASSETS AND LIABILITIES				
Balances beginning of year	\$ 1,900	\$ 13,640	\$ 6,213	\$ 87,804
Additions:				
Property and other County tax	-	-	-	123,754
State tax credits	-	-	-	4,329
Payments in lieu of taxes	-	-	-	60
E-911 surcharge	-	-	-	-
Office fees and collections	393	281,431	71,079	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	1,244	-	376,960	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total additions	<u>1,637</u>	<u>281,431</u>	<u>448,039</u>	<u>128,143</u>
Deductions:				
Agency remittances:				
To other funds	393	163,010	70,579	-
To other governments	-	131,837	500	90,284
Trusts paid out	1,263	-	375,564	-
Total deductions	<u>1,656</u>	<u>294,847</u>	<u>446,643</u>	<u>90,284</u>
Balances end of year	\$ <u>1,881</u>	\$ <u>224</u>	\$ <u>7,609</u>	\$ <u>125,663</u>

<u>County Assessor</u>	<u>Schools</u>	<u>Area Schools</u>	<u>Corporations</u>	<u>Townships</u>	<u>City Special Assessments</u>	<u>Auto License and Use Tax</u>
\$ 463,029	\$ 10,035,911	\$ 594,209	\$ 3,436,156	\$ 213,764	\$ 2,554	\$ 334,539
332,977	10,005,945	579,924	3,674,081	201,734	-	-
15,153	490,315	28,799	97,754	11,942	-	-
210	7,912	397	-	263	-	-
-	-	-	-	-	-	-
28	-	-	-	-	-	-
-	-	-	-	-	-	3,938,107
-	-	-	-	-	8,286	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
348,368	10,504,172	609,120	3,771,835	213,939	8,286	3,938,107
-	-	-	-	-	-	192,742
276,948	10,344,662	612,498	3,510,503	220,042	8,236	3,757,237
-	-	-	-	-	-	-
276,948	10,344,662	612,498	3,510,503	220,042	8,236	3,949,979
\$ 534,449	\$ 10,195,421	\$ 590,831	\$ 3,697,488	\$ 207,661	\$ 2,604	\$ 322,667

IOWA COUNTY

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended June 30, 2008

	Brucellosis and Tuberculosis Eradication	Emergency Management	Fire Districts	Amana Land Use District
ASSETS AND LIABILITIES				
Balances beginning of year	\$ 2,064	\$ 61,068	\$ 68,799	\$ 23,744
Additions:				
Property and other County tax	2,323	-	67,083	23,485
State tax credits	118	-	2,501	472
Payments in lieu of taxes	2	-	-	-
E-911 surcharge	-	-	-	-
Office fees and collections	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	60,020	-	-
Total additions	<u>2,443</u>	<u>60,020</u>	<u>69,584</u>	<u>23,957</u>
Deductions:				
Agency remittances:				
To other funds	-	-	-	-
To other governments	2,464	68,570	70,515	24,534
Trusts paid out	-	-	-	-
Total deductions	<u>2,464</u>	<u>68,570</u>	<u>70,515</u>	<u>24,534</u>
Balances end of year	<u>\$ 2,043</u>	<u>\$ 52,518</u>	<u>\$ 67,868</u>	<u>\$ 23,167</u>

See accompanying independent auditor's report.

<u>Sanitary Districts</u>	<u>E-911 Service Commission</u>	<u>E-911 Surcharge</u>	<u>Tax Sale Redemption</u>	<u>Monies/ Credit Loans Credit</u>	<u>Recorder's Electronic Transaction Fees</u>	<u>Total</u>
\$ 22,268	\$ 48,927	\$ 53,686	\$ -	\$ 2,593	\$ 768	\$ 15,473,636
24,253	-	-	-	-	-	15,035,559
549	-	-	-	-	-	651,932
-	-	-	-	-	-	8,844
-	-	108,177	-	-	-	108,177
-	-	-	-	-	-	352,931
-	-	-	-	-	-	3,938,107
-	-	-	-	-	-	8,286
-	-	-	231,702	-	-	609,906
-	-	489	-	-	-	489
-	12,826	47,119	-	-	4,081	124,046
<u>24,802</u>	<u>12,826</u>	<u>155,785</u>	<u>231,702</u>	<u>-</u>	<u>4,081</u>	<u>20,838,277</u>
-	-	-	-	-	-	426,724
22,821	24,066	136,813	-	-	4,239	19,306,769
-	-	-	231,722	-	-	608,549
<u>22,821</u>	<u>24,066</u>	<u>136,813</u>	<u>231,722</u>	<u>-</u>	<u>4,239</u>	<u>20,342,042</u>
\$ <u>24,249</u>	\$ <u>37,687</u>	\$ <u>72,658</u>	\$ <u>(20)</u>	\$ <u>2,593</u>	\$ <u>610</u>	\$ <u>15,969,871</u>

IOWA COUNTY

SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION

ALL GOVERNMENTAL FUNDS
FOR THE LAST FOUR YEARS

	Modified Accrual Basis			
	2008	2007	2006	2005
Revenues:				
Property and other County tax	\$ 7,245,194	\$ 6,943,983	\$ 6,293,213	\$ 5,879,521
Interest and penalty on property tax	43,903	36,148	47,596	48,015
Intergovernmental	4,878,531	4,523,156	4,584,343	4,658,429
Licenses and permits	22,187	22,781	25,019	27,564
Charges for service	1,150,724	917,274	620,082	564,676
Use of money and property	338,794	386,007	269,755	193,916
Miscellaneous	133,561	211,248	240,539	331,444
Total	\$ 13,812,894	\$ 13,040,597	\$ 12,080,547	\$ 11,703,565
Expenditures:				
Operating:				
Public safety and legal services	\$ 2,395,981	\$ 2,230,252	\$ 2,011,920	\$ 1,965,078
Physical health and social services	881,465	883,818	732,988	694,344
Mental health	1,363,008	1,257,582	1,107,579	1,318,859
County environment and education services	849,655	805,655	702,160	649,767
Roads and transportation	4,944,517	4,511,452	4,508,846	4,159,481
Governmental services to residents	478,394	418,822	515,189	373,975
Administrative services	1,434,640	1,556,446	1,263,849	1,084,618
Non-program	183,658	32,190	11,060	-
Debt service	602,983	447,999	336,669	254,652
Capital projects	1,256,646	740,215	3,379,498	2,230,125
Total	\$ 14,390,947	\$ 12,884,431	\$ 14,569,758	\$ 12,730,899

See accompanying independent auditor's report.

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 Officials of Iowa County:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Iowa County, Iowa, as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements listed in the table of contents and have issued our report thereon dated February 27, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Iowa County's internal control over financial reporting as a basis for designing our auditing procedures 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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Iowa County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies, including deficiencies we consider to be material weaknesses.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Iowa County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood a misstatement of Iowa County's financial statements that is more than inconsequential will not be prevented or detected by Iowa County's internal control. We consider the deficiencies in internal control described in Part I of the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Iowa County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we believe item I-B-08 is a material weakness.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2008 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Iowa County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the County's responses, we did not audit Iowa County's responses and, accordingly, we express no opinion on them.

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

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

Oskaloosa, Iowa
February 27, 2009

IOWA COUNTY
SCHEDULE OF FINDINGS
Year Ended June 30, 2008

Part I: Findings Related to the Basic Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

SIGNIFICANT DEFICIENCIES:

I-A-08 Segregation of Duties

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

	<u>Applicable Offices</u>
(1) All incoming mail should be opened by an employee who is not authorized to make entries to the accounting records. This employee should prepare a listing of cash and checks received. The mail should then be forwarded to the accounting personnel for processing. Later, the same listing should be compared to the cash receipt records.	Recorder, Sheriff
(2) Bank accounts should be reconciled promptly at the end of each month by an individual who does not sign checks or handle or record cash.	Recorder, Sheriff, Treasurer
(3) Checks or warrants should be signed by an individual who does not otherwise participate in the preparation of the checks or warrants. Prior to signing, the checks or warrants and the supporting documentation should be reviewed for propriety. After signing, the checks or warrants should be mailed without allowing them to return to individuals who prepare the checks or warrants or approve vouchers for payment.	Recorder, Sheriff, Treasurer

Recommendation – We realize that with a limited number of office employees, segregation of duties is difficult. However, each official should review the control procedures of their office to obtain the maximum internal control possible under the circumstances. The official should utilize current personnel to provide additional control through review of financial transactions, reconciliations and reports. Such reviews should be performed by independent persons to the extent possible, and should be evidenced by the initials or signature of the reviewer and the date of the review.

IOWA COUNTY
SCHEDULE OF FINDINGS
Year Ended June 30, 2008

Part I: Findings Related to the Basic Financial Statements (continued):

SIGNIFICANT DEFICIENCIES (continued):

I-A-08 Segregation of Duties (continued)

Responses –

County Recorder – We will comply with this recommendation to the extent possible.

County Sheriff – We will comply with this recommendation to the extent possible.

County Treasurer – We will comply with this recommendation to the extent possible.

Conclusion – Responses accepted.

I-B-08 Financial Reporting – During the audit, we identified material amounts of receivables, payables and capital asset adjustments not recorded in the County’s financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

Recommendation – The County should implement procedures to ensure all receivables, payables and capital asset adjustments are identified and included in the County’s financial statements.

Response – We will review our current procedures to ensure the proper amounts are recorded in the financial statements in the future.

Conclusion – Response accepted.

I-C-08 Untimely Deposit – Out of nine receipts tested, three were not deposited timely. The receipts were held by the recipients for up to twenty-two days before being given to the County Treasurer for deposit.

Recommendation – Receipts should be turned in to the County Treasurer on a timely basis. All receipts should be deposited as soon as possible to safeguard the asset and avoid any possible irregularities and to earn the interest revenue on the public funds.

Response – We will try to ensure that the County Treasurer receives all receipts on a timely basis.

Conclusion – Response accepted.

IOWA COUNTY
 SCHEDULE OF FINDINGS
 Year Ended June 30, 2008

Part II: Other Findings Related to Required Statutory Reporting:

- II-A-08 Certified Budget – Disbursements during the year ended June 30, 2008 did not exceed the amounts budgeted in any of the County functions or departmental appropriations.
- II-B-08 Questionable Expenditures – No expenditures were noted that may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979.
- II-C-08 Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- II-D-08 Business Transactions – Business transactions between the County and County officials or employees are detailed as follows:

<u>Name, Title and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Brian Miller Excavating, owned by spouse of deputy Auditor Kristen Miller	Drainage improvement project	\$84,917 (a)
A & M Fencing & Hardware, owned by Alan Husband, Emergency Management director	Services	\$ 909 (b)
A & M Fencing & Hardware, owned by Mary Husband, Emergency Management grant writer	Services	\$ 909 (b)

In accordance with Chapter 331.342(3) of the Code of Iowa, the transaction designated with an (a) does not represent a conflict of interest since it was entered into through competitive processes.

In accordance with Chapter 331.342(10) of the Code of Iowa, the transactions designated with a (b) do not appear to represent conflicts of interest since the cumulative amount for each individual was less than \$1,500 during the fiscal year.

- II-E-08 Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of all bonds should be reviewed periodically to insure that the coverage remains adequate for current operations.
- II-F-08 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- II-G-08 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the County’s investment policy were noted.
- II-H-08 Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

IOWA COUNTY
SCHEDULE OF FINDINGS
Year Ended June 30, 2008

Part II: Other Findings Related to Required Statutory Reporting:

- II-I-08 County Extension Office – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an Extension Council separate and distinct from County operations and, consequently, is not included in Exhibits A or B.

Disbursements during the year ended June 30, 2008 for the County Extension Office did not exceed the amount budgeted. We noted that the minutes properly signed as required by Chapter 176A.14(3) of the Code of Iowa.

- II-J-08 Codification of Ordinances – The County has not compiled a code of ordinances containing all of the County ordinances at least once every five years as required by Chapter 331.302(9) of the Code of Iowa. This was last completed in December 1996.

Recommendation – The County should compile a code of ordinances containing all of the County ordinances at least once every five years.

Response – We are working on compiling a code of ordinances.

Conclusion – Response accepted.