



RINGGOLD COUNTY
INDEPENDENT AUDITOR'S REPORT
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS

June 30, 2008



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RINGGOLD COUNTY

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Royce Dredge	Board of Supervisors	December 2008
Wayne Kemery	Board of Supervisors	December 2008
Larry Ford	Board of Supervisors	December 2010
Renda Paxson	County Auditor	December 2008
Beverly Noble	County Treasurer	December 2010
Karen Schaefer	County Recorder	December 2010
Michael Sobotka	County Sheriff	December 2008
Clinton Spurrier	County Attorney	December 2010

Independent Auditor's Report

To the Officials of Ringgold County

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ringgold County, Iowa, as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of County officials. 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 financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Ringgold County as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, 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 March 31, 2009 on our consideration of Ringgold County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 5 through 10 and 38 through 41 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Ringgold 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 (none of which are presented herein) and expressed unqualified opinions on those financial statements. The 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 our 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.

Clifton Gunderson LLP

Cedar Rapids, Iowa
March 31, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

Ringgold County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2008. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2008 FINANCIAL HIGHLIGHTS

- Revenues of the County's governmental activities increased by more than 4.9%, or approximately \$306,701, from fiscal 2007 to fiscal 2008. Property tax increased by \$419,112 and miscellaneous receipts increased by \$121,920.
- Program expenses were 10%, or \$620,545, more in fiscal 2008 than in fiscal 2007.
- The County's net assets decreased 3.9%, or \$205,544, from June 30, 2007 to June 30, 2008.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the County's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of Ringgold 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 Ringgold 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 Ringgold County acts solely as an agent or custodian for the benefit of those outside of County government (Agency Funds).

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

Required Supplementary Information 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 and the individual Agency Funds.

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

The Statement of Net Assets presents all of the County's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in the County's net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods.

The County's governmental activities are presented 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, governmental services to residents, administration, interest on long-term debt and non-program activities. Property tax and state and federal grants finance most of these activities.

Fund Financial Statements

The County has two kinds of funds:

- 1) 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. The governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Mental Health, Rural Services and Secondary Roads, 3) the Debt Service Fund, and 4) the Capital Projects Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

- 2) Fiduciary funds are used to report assets held in a trust or agency capacity for others which cannot be used to support the County's own programs. These fiduciary funds include Agency Funds that account for drainage districts, emergency management services and the County Assessor, to name a few.

The required financial statement for fiduciary funds is a statement of fiduciary assets and liabilities.

Reconciliations between the government-wide financial statements and the fund financial statements follow the fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of financial position. Ringgold County's combined net assets for FY08 totaled approximately \$5,076,879. The analysis that follows focuses on the changes in the net assets for governmental activities.

Net Assets of Governmental Activities

	<u>2008</u>	<u>2007</u>
Current and other assets	\$ 4,351,003	\$ 4,305,928
Capital assets	<u>3,839,233</u>	<u>3,961,268</u>
Total assets	<u>8,190,236</u>	<u>8,267,196</u>
Long-term debt	80,038	117,052
Other liabilities	<u>3,033,319</u>	<u>2,867,721</u>
Total liabilities	<u>3,113,357</u>	<u>2,984,773</u>
Net assets:		
Invested in capital assets, net of related debt	3,759,195	3,844,216
Restricted	30,285	28,610
Unrestricted	<u>1,287,399</u>	<u>1,409,597</u>
Total net assets	<u>\$ 5,076,879</u>	<u>\$ 5,282,423</u>

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

Changes in Net Assets of Governmental Activities

	<u>2008</u>	<u>2007</u>
Revenues:		
Program revenues:		
Charges for services	\$ 753,766	\$ 691,730
Operating grants and contributions	2,615,189	2,932,482
Capital grants, contributions, and restricted interest	-	6,846
General revenues:		
Property taxes	2,338,553	1,919,441
Property taxes - debt service	40,112	37,300
Penalty and interest on property taxes	23,318	25,247
State tax credits	140,041	82,865
Grants and contributions not restricted to specific purpose	989	1,103
Investment earnings	63,315	92,106
Loss on disposition of assets	(487)	895
Miscellaneous	<u>654,472</u>	<u>532,822</u>
Total revenues	<u>6,629,538</u>	<u>6,322,837</u>
Program expenses:		
Public safety and legal services	898,205	890,600
Physical health and social services	701,608	639,415
Mental health	770,062	845,132
County environment and education	258,026	221,716
Roads and transportation	2,786,051	2,414,905
Government services to residents	242,769	222,490
Administrative services	1,162,102	960,745
Non-program	11,078	12,461
Interest on long-term debt	<u>5,181</u>	<u>7,073</u>
Total expenses	<u>6,835,082</u>	<u>6,214,537</u>
Increase (decrease) in net assets	(205,544)	108,300
Net assets, beginning of year	<u>5,282,423</u>	<u>5,174,123</u>
Net assets, end of year	<u>\$ 5,076,879</u>	<u>\$ 5,282,423</u>

Ringgold County's net assets of governmental activities decreased by \$205,544 during the year. Revenues for governmental activities increased by \$306,701 over the prior year.

The cost of all governmental activities this year was \$6.8 million compared to \$6.2 million last year. However, as shown in the Statement of Activities on page 13, the amount taxpayers ultimately financed for these activities was only \$3.4 million because some of the cost was paid by those directly benefited from the programs (\$753,766) or by other governments and organizations that subsidized certain programs with grants and contributions (\$2,615,189).

INDIVIDUAL MAJOR FUND ANALYSIS

As Ringgold County completed the year, its governmental funds reported a combined fund balance of \$1.5 million, a decrease of \$117,201 below last year's total of \$1.6 million.

- General Fund revenues and expenditures remained consistent when compared to the prior year. The ending fund balance showed a decrease of \$7,011 from the prior year to \$650,294.
- The County has continued to look for ways to effectively manage the cost of mental health services. For the year, expenditures totaled \$770,648, a decrease of 0.09% from the prior year. The Mental Health Fund balance at year end decreased by \$68,372 over the prior year.
- Secondary Roads Fund expenditures decreased by \$140,374 over the prior year, due principally to a decrease in roadway maintenance as the County purchased new equipment in the prior year. The Secondary Roads Fund balance at June 30, 2008 decreased by \$51,992.

BUDGETARY HIGHLIGHTS

Over the course of the year, Ringgold County amended its budget two times. The amendments increased budgeted revenue by \$247,590 and disbursements by \$392,897. These amendments were made to provide for additional expenditures in certain County departments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2008, Ringgold County had invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This is a net decrease (including additions and deletions) of approximately \$122,000 over the last year.

Capital Assets of Governmental Activities at Year End (Expressed in Thousands)

	<u>2008</u>	<u>2007</u>
Land	\$ 1,205	\$ 1,490
Buildings and improvements	547	547
Equipment and vehicles	3,723	3,676
Infrastructure	<u>995</u>	<u>695</u>
Total	<u>\$ 6,470</u>	<u>\$ 6,408</u>

This year's major additions included (in thousands):

Road construction project \$ 15

The County had depreciation expense of \$189,405 in FY08 and total accumulated depreciation of \$2,631,616 at June 30, 2008.

Long-term Debt

At June 30, 2008, Ringgold County had \$80,038 of debt outstanding compared to \$117,052 at June 30, 2007, as shown below.

**Outstanding Debt of Governmental Activities at Year End
(Expressed in Thousands)**

	<u>2008</u>	<u>2007</u>
Capital lease purchase agreements	\$ <u>80</u>	\$ <u>117</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Ringgold County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2009 budget, tax rates, and the fees that will be charged for various County activities. One of those factors is the economy.

These indicators were taken into account when adopting the budget for fiscal year 2009. The County has added no major new programs or initiatives to the 2009 budget.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Ringgold 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 Ringgold County Auditor's Office, 109 W. Madison Street, Mount Ayr, Iowa.

BASIC FINANCIAL STATEMENTS

RINGGOLD COUNTY

Statement of Net Assets

June 30, 2008

ASSETS	Governmental <u>Activities</u>
Cash and cash equivalents	\$ 1,456,080
Receivables:	
Property tax:	
Succeeding year	2,564,586
Accounts	5,975
Accrued interest	2,198
Due from other governments	77,364
Prepaid expenses	66,485
Inventories	178,315
Capital assets, net of accumulated depreciation	<u>3,839,233</u>
Total assets	<u>8,190,236</u>
 LIABILITIES	
Accounts payable	99,212
Accrued interest payable	1,051
Salaries and benefits payable	54,198
Due to other governments	111,162
Deferred revenue - succeeding year property tax	2,564,587
Long-term liabilities:	
Portion due within one year:	
Capital lease purchase agreements	40,034
Compensated absences	44,804
Portion due after one year:	
Capital lease purchase agreements	40,004
Compensated absences	<u>158,305</u>
Total liabilities	<u>3,113,357</u>
 NET ASSETS	
Invested in capital assets, net of related debt	3,759,195
Restricted for:	
Secondary roads purposes	21,992
Debt service	8,293
Unrestricted	<u>1,287,399</u>
 TOTAL NET ASSETS	 <u>\$ 5,076,879</u>

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

RINGGOLD COUNTY

Statement of Activities

For the Year Ended June 30, 2008

	Expenses	Charges for Services	Operating Grants, Contributions, and Restricted Interest	Net (Expense) Revenue and Changes in Net Assets
FUNCTIONS/PROGRAMS				
Governmental Activities:				
Public safety and legal services	\$ 898,205	\$ 176,923	\$ 1,502	\$ (719,780)
Physical health and social services	701,608	327,572	244,009	(130,027)
Mental health	770,062	95,676	266,487	(407,899)
County environment and education	258,026	9,983	13,773	(234,270)
Roads and transportation	2,786,051	19,031	2,086,054	(680,966)
Governmental services to residents	242,769	120,192	-	(122,577)
Administrative services	1,162,102	4,389	3,364	(1,154,349)
Non-program	11,078	-	-	(11,078)
Interest on long-term debt	5,181	-	-	(5,181)
Total	\$ 6,835,082	\$ 753,766	\$ 2,615,189	(3,466,127)
GENERAL REVENUES:				
Property taxes levied for:				
General purposes				2,338,553
Debt service				40,112
Penalty and interest on property tax				23,318
State tax credits				140,041
Grants and contributions not restricted to specific purpose				989
Unrestricted investment earnings				63,315
Loss on disposition of assets				(487)
Miscellaneous				654,742
Total general revenues				3,260,583
Change in net assets				(205,544)
Net assets, beginning of year				5,282,423
Net assets, end of year				\$ 5,076,879

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

RINGGOLD COUNTY

Balance Sheet
Governmental Funds

June 30, 2008

	<u>Special Revenue</u>			
	<u>General</u>	<u>Mental Health</u>	<u>Rural Services</u>	<u>Secondary Roads</u>
ASSETS				
Cash and pooled investments	\$ 577,189	\$ 232,212	\$ 97,750	\$ 526,799
Receivables:				
Property tax:				
Succeeding year	1,448,239	329,387	745,857	-
Accounts	5,834	-	-	35
Accrued interest	2,127	-	-	60
Due from other funds	12,410	-	-	-
Due from other governments	59,811	12,028	-	5,525
Prepaid expenses	44,487	2,201	-	19,797
Inventories	-	-	-	178,315
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ 2,150,097	\$ 575,828	\$ 843,607	\$ 730,531
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	21,405	2,969	17	74,821
Salaries and benefits payable	29,256	2,614	1,729	20,599
Due to other governments	902	108,716	-	-
Deferred revenue:				
Succeeding year property tax	1,448,240	329,387	745,857	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	1,499,803	443,686	747,603	95,420
Fund balances:				
Reserved for:				
Prepaid expenses	44,487	2,201	-	19,797
Inventories	-	-	-	178,315
Debt service	-	-	-	-
Unreserved, reported in:				
General fund	605,807	-	-	-
Special revenue fund	-	129,941	96,004	436,999
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	650,294	132,142	96,004	635,111
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	\$ 2,150,097	\$ 575,828	\$ 843,607	\$ 730,531

<u>Nonmajor</u>	<u>Total</u>
\$ 9,719	\$ 1,443,669
41,103	2,564,586
107	5,976
11	2,198
-	12,410
-	77,364
-	66,485
-	178,315
\$ 50,940	\$ 4,351,003
1,544	\$ 100,756
-	54,198
	109,618
41,103	2,564,587
42,647	2,829,159
-	66,485
-	178,315
8,293	8,293
-	605,807
-	662,944
8,293	1,521,844
\$ 50,940	\$ 4,351,003

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

RINGGOLD COUNTY

**Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets**

June 30, 2008

Total governmental fund balances (page 15)	\$ 1,521,844
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used for governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$6,470,849 and the accumulated depreciation is \$2,631,616.	3,839,233
Long-term liabilities, including capital leases, accrued interest payable and compensated absences, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(284,198)</u>
Net assets of governmental activities (page 12)	<u>\$ 5,076,879</u>

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

RINGGOLD COUNTY

**Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds**

For the Year Ended June 30, 2008

	<u>Special Revenue</u>			
	<u>General</u>	<u>Mental Health</u>	<u>Rural Services</u>	<u>Secondary Roads</u>
Revenues:				
Property and other county tax	\$ 1,337,357	\$ 321,448	\$ 679,750	\$ -
Interest and penalty on property tax	23,318	-	-	-
Intergovernmental	436,656	373,179	37,336	2,089,979
Licenses and permits	2,615	-	-	1,448
Charges for services	453,249	6,985	-	-
Use of money and property	68,305	-	-	1,052
Miscellaneous	735,992	630	-	12,275
	<u>3,057,492</u>	<u>702,242</u>	<u>717,086</u>	<u>2,104,754</u>
Total revenues				
Expenditures:				
Current:				
Public safety and legal services	772,580	-	99,829	-
Physical health and social services	690,774	-	-	-
Mental health	-	770,648	-	-
County environment and education services	204,693	-	46,411	-
Roads and transportation	-	-	-	2,675,684
Governmental services to residents	235,388	-	-	-
Administrative services	1,151,770	-	-	-
Non-program	11,078	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	35,430
	<u>3,066,283</u>	<u>770,648</u>	<u>146,240</u>	<u>2,711,114</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>(8,791)</u>	<u>(68,406)</u>	<u>570,846</u>	<u>(606,360)</u>
Other financing sources (uses):				
Sale of capital assets	1,650	-	-	-
Operating transfers in	-	-	-	545,357
Operating transfers out	-	-	(545,357)	-
	<u>1,650</u>	<u>-</u>	<u>(545,357)</u>	<u>545,357</u>
Total other financing sources (uses)				

Exhibit E

	<u>Nonmajor</u>	<u>Total</u>
\$	40,112	\$ 2,378,667
	-	23,318
	16,216	2,953,366
	-	4,063
	3,474	463,708
	651	70,008
	-	748,897
	<u>60,453</u>	<u>6,642,027</u>
	14,513	886,922
	1,724	692,498
	-	770,648
	4,095	255,199
	-	2,675,684
	3,581	238,969
	-	1,151,770
	-	11,078
	42,680	42,680
	-	35,430
	<u>66,593</u>	<u>6,760,878</u>
	<u>(6,140)</u>	<u>(118,851)</u>
	-	1,650
	-	545,357
	-	(545,357)
	<u>-</u>	<u>1,650</u>

(continued)

RINGGOLD COUNTY

**Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds**

For the Year Ended June 30, 2008

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(7,141)	(68,406)	25,489	(61,003)
Fund balances, beginning of year	657,305	200,514	70,515	687,103
Increase (decrease) in reserve for:				
Prepaid expenses	130	34	-	(2,848)
Inventories	-	-	-	11,859
Fund balances, end of year	\$ 650,294	\$ 132,142	\$ 96,004	\$ 635,111

<u>Nonmajor</u>	<u>Total</u>
(6,140)	(117,201)
14,433	1,629,870
-	(2,684)
<u>-</u>	<u>11,859</u>
<u>\$ 8,293</u>	<u>\$ 1,521,844</u>

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

RINGGOLD COUNTY

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
to the Statement of Activities**

For the Year Ended June 30, 2008

Net change in fund balances - total governmental funds (page 20) \$ (117,201)

***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. Depreciation expense exceeded capital outlays in the current year, as follows:

Expenditures for capital assets	\$ 67,857	
Difference for sale of assets	(487)	
Depreciation expense	(189,405)	(122,035)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 33,265

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	(9,233)	
Interest on long-term debt	485	(8,748)

Prepaid expenses and inventories in the governmental funds have been recorded as expenditures when paid. However, the Statement of Activities will report these items as expenditures in the period that the corresponding net asset is exhausted. 9,175

Change in net assets of governmental activities (page 13) \$ (205,544)

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

RINGGOLD COUNTY

Statement of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2008

ASSETS

Cash and pooled investments:		
County treasurer	\$	647,778
Other county officials		21,989
Receivables:		
Accounts receivable		269
Property tax:		
Succeeding year		5,819,986
Accrued interest		6
Due from other governments		<u>19,348</u>
Total assets		<u>6,509,376</u>

LIABILITIES

Accounts payable		2,647
Checks drawn in excess of bank balance		245
Salaries and benefits payable		3,322
Due to other funds		12,410
Due to other governments		677,716
Deferred revenue:		
Succeeding year property tax		5,807,826
Compensated absences		<u>5,210</u>
Total liabilities		<u>6,509,376</u>

NET ASSETS\$ -

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

RINGGOLD COUNTY

Notes to Financial Statements

June 30, 2008

(1) Summary of Significant Accounting Policies

Ringgold 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 public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents and 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, Ringgold 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.

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

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. 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.

RINGGOLD COUNTY

Notes to Financial Statements

June 30, 2008

(1) Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

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 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 funds and fiduciary funds, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other nonmajor governmental funds.

The County reports the following major governmental funds:

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

RINGGOLD COUNTY

Notes to Financial Statements

June 30, 2008

(1) Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

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.

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.

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.

RINGGOLD COUNTY

Notes to Financial Statements

June 30, 2008

(1) Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

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

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-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 the investment in the Iowa Public Agency Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at cost.

Property Tax Receivable - Property tax in governmental funds are 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.

RINGGOLD COUNTY
Notes to Financial Statements
June 30, 2008

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

D. Assets, Liabilities and Fund Equity (continued)

Property tax revenue recognized in these funds become due and collectible in September and March of the current fiscal year with a 1 1/2% per month penalty for delinquent payment; 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.

Due From and Due To Other Funds - During the course of its operations, the County has numerous transactions between funds. To the extent that certain transactions between funds had not been paid or received as of June 30, 2008, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

Capital Assets - Capital assets, which include property, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the government), are reported in the 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 an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Infrastructure	\$ 50,000
Land, buildings and improvements	25,000
Equipment and vehicles	5,000

RINGGOLD COUNTY

Notes to Financial Statements

June 30, 2008

(1) Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity (continued)

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

Buildings	40-50 years
Building improvements	20-50 years
Infrastructure	30-50 years
Equipment	2-20 years
Vehicles	3-10 years

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.

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 represent 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 as well as property tax receivables and other receivables not collected within sixty days after year end.

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

Compensated Absences - County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or 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 reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 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.

RINGGOLD COUNTY

Notes to Financial Statements

June 30, 2008

(1) Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity (continued)

Long-term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Assets. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

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

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

(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. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

The County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$752,373 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

RINGGOLD COUNTY

Notes to Financial Statements

June 30, 2008

(2) Cash and Pooled Investments (continued)

Interest rate risk. The County's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the County.

Credit risk. The investment in Iowa Public Agency Investment Trust is unrated.

Concentration of credit risk. The County places no limit on the amount that may be invested in any one issuer.

(3) Due From and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2008 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Trust & Agency - County Recorder	\$ <u>12,410</u>

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

(4) 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>
Secondary Roads	Special Revenue: Rural Services	\$ <u>545,537</u>

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

RINGGOLD COUNTY

Notes to Financial Statements

June 30, 2008

(5) Capital Assets

Capital assets activity for the year ended June 30, 2008 was as follows:

	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,190,463	\$ -	\$ -	\$ 1,190,463
Construction in progress	<u>299,780</u>	<u>14,804</u>	<u>299,780</u>	<u>14,804</u>
Total capital assets not being depreciated	<u>1,490,243</u>	<u>14,804</u>	<u>299,780</u>	<u>1,205,269</u>
Capital assets being depreciated:				
Buildings and building improvements	547,419	-	-	547,419
County equipment	346,541	53,053	-	399,594
Secondary roads equipment	3,330,557	-	7,300	3,323,257
Infrastructure	<u>695,532</u>	<u>299,780</u>	<u>-</u>	<u>995,312</u>
Total capital assets being depreciated	<u>4,920,049</u>	<u>352,833</u>	<u>7,300</u>	<u>5,265,582</u>
Less accumulated depreciation for:				
Buildings and building improvements	90,692	15,489	-	106,181
County equipment	376,623	24,108	-	400,731
Secondary roads equipment	1,955,897	135,897	6,813	2,084,891
Infrastructure	<u>25,812</u>	<u>13,911</u>	<u>-</u>	<u>39,723</u>
Total accumulated depreciation	<u>2,449,024</u>	<u>189,405</u>	<u>6,813</u>	<u>2,631,616</u>
Total capital assets being depreciated, net	<u>2,471,025</u>	<u>163,428</u>	<u>487</u>	<u>2,633,966</u>
Governmental activities capital assets, net	<u>\$ 3,961,268</u>	<u>\$ 178,232</u>	<u>\$ 300,267</u>	<u>\$ 3,839,233</u>

RINGGOLD COUNTY

Notes to Financial Statements

June 30, 2008

(5) Capital Assets (continued)

Depreciation expense was charged to the following functions:

Governmental activities:		
Public safety and legal services	\$	11,530
Physical health and social services		9,110
County environment and education		2,827
Roads and transportation		155,247
Administrative services		<u>10,691</u>
Total depreciation expense - governmental activities		<u>\$ 189,405</u>

(6) 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	\$ 902
Special Revenue:		
Mental Health	Services	<u>108,716</u>
Total for governmental funds		<u>\$ 109,618</u>
Agency:		
District Schools		\$ 56,032
County Assessor		40,037
Hospital		12,997
Corporations		10,591
Auto License & Use Tax		104,393
Township		1,852
E911 Surcharge		105,940
Anticipated Property Tax		16,324
Jail Sales Tax		190,692
All Others		<u>138,858</u>
Total for agency funds		<u>\$ 677,716</u>

RINGGOLD COUNTY
Notes to Financial Statements

June 30, 2008

(7) Changes in Long-Term Liabilities

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

	Capital Lease Purchase Agreements	Compensated Absences	Total
Balance, beginning of year	\$ 117,052	\$ 190,127	\$ 307,160
Increases		12,982	12,982
Decreases	<u>(37,014)</u>	<u>-</u>	<u>(37,014)</u>
Balance, end of year	<u>\$ 80,038</u>	<u>\$ 203,109</u>	<u>\$ 283,147</u>
Due within one year	<u>\$ 40,034</u>	<u>\$ 44,804</u>	<u>\$ 84,838</u>

Capital Lease Purchase Agreement

The County has entered into a capital lease purchase agreement to lease an elevator with a historical cost of \$320,000. The following is a schedule of the future minimum lease payments, including interest at 5.25% per annum, and the present value of net minimum lease payments under the agreement in effect at June 30, 2008:

**Year
Ending
June 30,**

2009	\$ 42,680
2010	<u>42,680</u>
Total minimum lease payments	85,360
Less amount representing interest	<u>5,322</u>
Present value of net minimum lease payments	<u>\$ 80,038</u>

Payments under the capital lease purchase agreement for the year ended June 30, 2008 totaled \$42,680. Accumulated depreciation is \$72,168 at June 30, 2008.

RINGGOLD COUNTY

Notes to Financial Statements

June 30, 2008

(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, PO Box 9117, Des Moines, Iowa, 50306-9117.

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 annual covered payroll. 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 contribution to IPERS for the years ended June 30, 2008, 2007, and 2006 were \$149,006, \$138,238, and \$125,386, respectively, equal to the required contributions for each year.

(9) Risk Management

Ringgold 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 563 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.

RINGGOLD COUNTY

Notes to Financial Statements

June 30, 2008

(9) **Risk Management** (continued)

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 \$88,692.

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.

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 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 \$500,000 and \$100,000, 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.

RINGGOLD COUNTY

Notes to Financial Statements

June 30, 2008

(10) Jointly Governed Organizations

The County 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.

Ringgold County Assessor's Conference Board - The County Board of Supervisors are members of or appointed representatives to the Ringgold County Assessor's Conference Board. Financial transactions of this organization are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in an Agency Fund of the County.

Solid Waste Management Commission - The County is a member of the Wayne - Ringgold - Decatur County Solid Waste Management Commission, hereinafter referred to as the "Commission". The Commission is an intergovernmental group whose members include Wayne, Ringgold and Decatur Counties including cities in and around those counties. The Commission was created with a purpose to operate and maintain solid waste facilities for member units of government, as authorized by Chapter 28E of the Code of Iowa. Ringgold County submits payments to the commission based on the County's usage of the landfill. Ringgold County, in the event of dissolution of the Commission, or the withdrawal of the County from the Commission, shall, as stated in the Joint Powers Agreement creating the Commission, have a perpetual obligation to continue to make contributions to the Commission, or its successors, for closure and post-closure costs. The required contribution will be based upon a formula stated in the Joint Powers Agreement for the Commission. The total costs for closure and post-closure at the end of the landfill's life, based upon estimates included in the Wayne-Ringgold-Decatur County Solid Waste Management Commission's financial status at June 30, 2007, the date of the most recent audited financial statement, was \$892,000. Total funds held in connection with the estimated costs for closure and post closure was equal to the estimated costs, so no liability exists at June 30, 2008. Actual costs at the time of closing may be higher due to inflation, changes in technology or changes in regulations. Ringgold County's proportionate share of the total estimated post-closure costs has not been determined by the County nor the Commission.

(11) Hospital Revenue Capital Loan Notes

The County has issued a total of \$700,000 of hospital revenue capital loan notes under the provisions of Chapter 347A.1 of the Code of Iowa, of which \$475,024 is outstanding at June 30, 2008. The bonds are payable solely by the hospital, and the bond principal and interest do not constitute liabilities of the County.

This information is an integral part of the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

RINGGOLD 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

		<u>Budgeted Amounts</u>	
	<u>Actual</u>	<u>Original</u>	<u>Final</u>
RECEIPTS:			
Property and other county taxes	\$ 2,419,102	\$ 2,304,371	\$ 2,305,621
Interest and penalty on property tax	23,487	19,400	20,520
Intergovernmental	3,187,664	3,483,701	3,564,437
Licenses and permits	7,512	3,200	3,200
Charges for services	461,097	421,912	434,128
Use of money and property	74,545	22,703	72,863
Miscellaneous	749,056	518,635	620,743
	<hr/>	<hr/>	<hr/>
Total receipts	6,922,463	6,773,922	7,021,512
	<hr/>	<hr/>	<hr/>
DISBURSEMENTS:			
Public safety and legal services	883,734	862,510	931,818
Physical health and social services	691,368	756,392	816,392
Mental health	741,277	952,171	952,171
County environment and education services	254,949	275,892	293,892
Roads and transportation	2,660,285	2,530,329	2,670,577
Governmental services to residents	237,326	241,455	245,955
Administrative services	1,150,287	1,111,644	1,212,485
Non-program	12,496	12,500	12,500
Debt service	85,360	238,681	238,681
Capital projects	46,412	2,712,000	2,712,000
	<hr/>	<hr/>	<hr/>
Total disbursements	6,763,494	9,693,574	10,086,471
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	158,969	(2,919,652)	(3,064,959)
OTHER FINANCING SOURCES, NET	<hr/>	<hr/>	<hr/>
	5,232	2,502,000	2,532,004
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF RECEIPTS AND OTHER FINANCING SOURCES OVER (UNDER) DISBURSEMENTS	164,201	(417,652)	(532,955)
BALANCES, BEGINNING OF YEAR	<hr/>	<hr/>	<hr/>
	1,637,326	710,846	710,846
	<hr/>	<hr/>	<hr/>
BALANCES, END OF YEAR	\$ 1,801,527	\$ 293,194	\$ 177,891
	<hr/>	<hr/>	<hr/>

**Final to Actual
Variance-
Positive/
(Negative)**

\$ 113,481
2,967
(376,773)
4,312
26,969
1,682
128,313

(99,049)

48,084
125,024
210,894
38,943
10,292
8,629
62,198
4
153,321
2,665,588

3,322,977

3,223,928

(2,526,772)

697,156

779,234

\$ 1,476,390

RINGGOLD COUNTY

Budget to GAAP Reconciliation

Required Supplementary Information

Year Ended June 30, 2008

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 6,922,463	\$ (280,436)	\$ 6,642,027
Expenditures	<u>6,763,494</u>	<u>(2,616)</u>	<u>6,760,878</u>
Net	158,969	(277,820)	(118,851)
Other financing sources, net	5,232	(3,582)	1,650
Beginning fund balances	1,637,326	(7,456)	1,629,870
Decrease in reserve for prepaid expenses		(2,684)	(2,684)
Increase in reserve for inventories	<u>-</u>	<u>11,859</u>	<u>11,859</u>
Ending fund balances	<u>\$ 1,801,527</u>	<u>\$ (279,683)</u>	<u>\$ 1,521,844</u>

RINGGOLD COUNTY

Notes to Required Supplementary Information- Budgetary Reporting

June 30, 2008

The 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 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, governmental services to residents, administrative services, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the general fund, special revenue funds, debt service fund, capital projects funds and expendable trust funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, the county had two budget amendments. The amendments increased budgeted revenues by \$247,590 and disbursements by \$392,897. 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 E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

OTHER SUPPLEMENTARY INFORMATION

RINGGOLD COUNTY
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2008

	Special		
	Medicaid Administrative Claiming 10%	Attorney Special Revenue	REAP
ASSETS			
Cash and pooled investments	\$ 24	\$ 3,508	\$ 26,568
Receivables:			
Property tax:			
Succeeding year	-	-	-
Accounts receivable	-	-	-
Accrued interest	-	-	11
	<u>24</u>	<u>3,508</u>	<u>26,579</u>
TOTAL ASSETS	<u>\$ 24</u>	<u>\$ 3,508</u>	<u>\$ 26,579</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 1,544	\$ -
Deferred revenue:			
Succeeding year property tax	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>1,544</u>	<u>-</u>
Fund balances:			
Reserved for:			
Debt service	-	-	-
Unreserved	24	1,964	26,579
	<u>24</u>	<u>1,964</u>	<u>26,579</u>
Total fund balances	<u>24</u>	<u>1,964</u>	<u>26,579</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 24</u>	<u>\$ 3,508</u>	<u>\$ 26,579</u>

Schedule 1

Revenue

<u>Recorders Records Management</u>	<u>County Conservation Reserve</u>	<u>Electronic Transaction Fund</u>	<u>Jail Capital Project Fund</u>	<u>Debt Service</u>	<u>Total</u>
\$ 5,598	\$ 4,043	\$ 178	\$ (37,531)	\$ 7,331	\$ 9,719
-	-	-	-	41,103	41,103
107	-	-	-	-	107
-	-	-	-	-	11
<u>\$ 5,705</u>	<u>\$ 4,043</u>	<u>\$ 178</u>	<u>\$ (37,531)</u>	<u>\$ 48,434</u>	<u>\$ 50,940</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,544
-	-	-	-	41,103	41,103
-	-	-	-	41,103	42,647
-	-	-	-	7,331	7,331
<u>5,705</u>	<u>4,043</u>	<u>178</u>	<u>(37,531)</u>	<u>-</u>	<u>962</u>
<u>5,705</u>	<u>4,043</u>	<u>178</u>	<u>(37,531)</u>	<u>7,331</u>	<u>8,293</u>
<u>\$ 5,705</u>	<u>\$ 4,043</u>	<u>\$ 178</u>	<u>\$ (37,531)</u>	<u>\$ 48,434</u>	<u>\$ 50,940</u>

RINGGOLD COUNTY

**Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds**

Year Ended June 30, 2008

			<u>Special</u>
	<u>Medicaid Administrative Claiming 10%</u>	<u>Attorney Special Revenue</u>	<u>REAP</u>
Revenues:			
Property tax and other county tax	\$ -	\$ -	\$ -
Intergovernmental	-	-	13,773
Charges for services	-	1,766	-
Use of money and property	<u>32</u>	<u>-</u>	<u>543</u>
Total revenues	<u>32</u>	<u>1,766</u>	<u>14,316</u>
Expenditures:			
Public safety and legal services	-	-	-
Physical health and social services	1,724	-	-
County environment and education	-	-	4,095
Governmental services to residents	-	-	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,724</u>	<u>-</u>	<u>4,095</u>
Excess (deficiency) of revenues over (under) expenditures	(1,692)	1,766	10,221
Fund balances, beginning of year	<u>1,716</u>	<u>198</u>	<u>16,358</u>
Fund balances, end of year	<u>\$ 24</u>	<u>\$ 1,964</u>	<u>\$ 26,579</u>

Schedule 2

Revenue

Recorders Records Management	County Conservation Reserve	Electronic Transaction Fund	Jail Capital Project Fund	Debt Service	Total
\$ -	\$ -	\$ -	\$ -	\$ 40,112	\$ 40,112
-	-	-	-	2,443	16,216
1,708	-	-	-	-	3,474
70	-	6	-	-	651
<u>1,778</u>	<u>-</u>	<u>6</u>	<u>-</u>	<u>42,555</u>	<u>60,453</u>
-	-	-	14,513	-	14,513
-	-	-	-	-	1,724
-	-	-	-	-	4,095
3,581	-	-	-	-	3,581
-	-	-	-	42,680	42,680
<u>3,581</u>	<u>-</u>	<u>-</u>	<u>14,513</u>	<u>42,680</u>	<u>66,593</u>
(1,803)	-	6	(14,513)	(125)	(6,140)
<u>7,508</u>	<u>4,043</u>	<u>172</u>	<u>(23,018)</u>	<u>7,456</u>	<u>14,433</u>
<u>\$ 5,705</u>	<u>\$ 4,043</u>	<u>\$ 178</u>	<u>\$ (37,531)</u>	<u>\$ 7,331</u>	<u>\$ 8,293</u>

RINGGOLD COUNTY

Combining Schedule of Fiduciary Assets and Liabilities - Agency Funds

June 30, 2008

ASSETS	County Offices		I-4 Multi-County	Emergency Management	DARE
	County Recorder	County Sheriff			
Cash and pooled investments:					
County treasurer	\$ -	\$ -	\$ 275	\$ 12,240	\$ 399
Other county officials	15,679	6,310	-	-	-
Receivables:					
Accounts receivable	159	-	-	-	-
Property tax:					
Delinquent	-	-	-	-	-
Succeeding year	-	-	-	-	-
Accrued interest	-	-	-	-	-
Due from other governments	-	-	-	1,000	-
Total assets	\$ 15,838	\$ 6,310	\$ 275	\$ 13,240	\$ 399
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 459	\$ -
Checks drawn in excess of bank balance	-	-	-	-	-
Salaries and benefits payable	-	-	-	900	-
Due to other funds	12,410	-	-	-	-
Due to other governments	3,428	6,310	275	11,554	399
Deferred revenue:					
Succeeding year property tax	-	-	-	-	-
Compensated absences	-	-	-	327	-
Total liabilities	\$ 15,838	\$ 6,310	\$ 275	\$ 13,240	\$ 399

Schedule 3

Sheriff's Special Fund	Sheriff's Forfeiture	Sheriff's Reserves	Inmate Jail Fee/60%	Inmate Jail Fee/40%	E911 Surcharge	County Assessor
\$ 416	\$ 1,397	\$ 13,896	\$ 17,034	\$ -	\$ 94,186	\$ 45,189
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	61,551
-	-	1	-	-	2	-
-	-	-	525	3,246	12,468	-
<u>\$ 416</u>	<u>\$ 1,397</u>	<u>\$ 13,897</u>	<u>\$ 17,559</u>	<u>\$ 3,246</u>	<u>\$ 106,656</u>	<u>\$ 106,740</u>
\$ -	\$ -	\$ 1,257	\$ -	\$ -	\$ 637	\$ 269
-	-	-	-	-	-	-
-	-	-	-	-	79	-
-	-	-	-	-	-	-
416	1,397	12,640	17,559	3,246	105,940	40,037
-	-	-	-	-	-	61,551
-	-	-	-	-	-	4,883
<u>\$ 416</u>	<u>\$ 1,397</u>	<u>\$ 13,897</u>	<u>\$ 17,559</u>	<u>\$ 3,246</u>	<u>\$ 106,656</u>	<u>\$ 106,740</u>

(continued)

RINGGOLD COUNTY

Combining Schedule of Fiduciary Assets and Liabilities - Agency Funds

June 30, 2008

ASSETS	Special Appraisers	Hospital	Agricultural Extension	District Schools	Area Vocational Schools
Cash and pooled investments:					
County treasurer	\$ 2,787	\$ 12,997	\$ 1,077	\$ 56,032	\$ 2,328
Other county officials	-	-	-	-	-
Receivables:					
Accounts receivable	-	-	-	-	-
Property tax:					
Delinquent	-	-	-	-	-
Succeeding year	78,957	798,990	68,391	3,823,895	161,434
Accrued interest	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total assets	\$ 81,744	\$ 811,987	\$ 69,468	\$ 3,879,927	\$ 163,762
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Checks drawn in excess of bank balance	-	-	-	-	-
Salaries and benefits payable	2,343	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	444	12,997	1,077	56,032	2,328
Deferred revenue:					
Succeeding year property tax	78,957	798,990	68,391	3,823,895	161,434
Compensated absences	-	-	-	-	-
Total liabilities	\$ 81,744	\$ 811,987	\$ 69,468	\$ 3,879,927	\$ 163,762

Schedule 3

County Corporations	City of Mt. Ayr Nuisance Assessment	Auto Township	Brucellosis/ Tuberculosis	Sun Valley Sanitary Dist.	Auto License & Use Tax	Anatomical Gift Donation
\$ 10,591	\$ 847	\$ 1,852	\$ 13	\$ -	\$ 104,393	\$ 7
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
676,909	-	136,901	798	-	-	-
-	-	-	-	-	-	-
-	-	-	-	493	-	-
<u>\$ 687,500</u>	<u>\$ 847</u>	<u>\$ 138,753</u>	<u>\$ 811</u>	<u>\$ 493</u>	<u>\$ 104,393</u>	<u>\$ 7</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
10,591	847	1,852	13	493	104,393	7
676,909	-	136,901	798	-	-	-
-	-	-	-	-	-	-
<u>\$ 687,500</u>	<u>\$ 847</u>	<u>\$ 138,753</u>	<u>\$ 811</u>	<u>\$ 493</u>	<u>\$ 104,393</u>	<u>\$ 7</u>

(continued)

RINGGOLD COUNTY

Combining Schedule of Fiduciary Assets and Liabilities - Agency Funds

June 30, 2008

ASSETS	Anticipated Property Tax	Recorder's Electronic Fee	Unreimbursed Medical	Dependent Care	RC Grid Systems
Cash and pooled investments:					
County treasurer	\$ 16,324	\$ 157	\$ -	\$ 1,030	\$ 68,450
Other county officials	-	-	-	-	-
Receivables:					
Accounts receivable	-	107	-	-	3
Property tax:					
Delinquent	-	-	-	-	-
Succeeding year	-	-	-	-	-
Accrued interest	-	-	-	-	-
Due from other governments	-	-	1,515	101	-
Total assets	\$ 16,324	\$ 264	\$ 1,515	\$ 1,131	\$ 68,453
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Checks drawn in excess of bank balance	-	-	245	-	-
Salaries and benefits payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	16,324	264	1,270	1,131	68,453
Deferred revenue:					
Succeeding year property tax	-	-	-	-	-
Compensated absences	-	-	-	-	-
Total liabilities	\$ 16,324	\$ 264	\$ 1,515	\$ 1,131	\$ 68,453

Schedule 3

<u>Civil Service Commission</u>	<u>K-9 Unit</u>	<u>Jail Sales Tax</u>	<u>Total</u>
\$ 109	\$ 5,223	\$ 178,529	\$ 647,778
-	-	-	21,989
-	-	-	269
-	-	-	-
-	-	12,160	5,819,986
-	-	3	6
-	-	-	19,348
<u>\$ 109</u>	<u>\$ 5,223</u>	<u>\$ 190,692</u>	<u>\$ 6,509,376</u>
\$ -	\$ 25	\$ -	\$ 2,647
-	-	-	245
-	-	-	3,322
-	-	-	12,410
109	5,198	190,692	677,716
-	-	-	5,807,826
-	-	-	5,210
<u>\$ 109</u>	<u>\$ 5,223</u>	<u>\$ 190,692</u>	<u>\$ 6,509,376</u>

RINGGOLD COUNTY

Combining Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds

Year Ended June 30, 2008

	<u>County Offices</u>		<u>I-4 Multi-County</u>	<u>Emergency Management</u>	<u>DARE</u>
	<u>County Recorder</u>	<u>County Sheriff</u>			
ASSETS AND LIABILITIES					
Balances, beginning of year	\$ 20,503	\$ 10,908	\$ 15,550	\$ 11,926	\$ 1,110
Additions:					
Property and other county tax	-	-	-	-	-
E911 surcharge	-	-	-	-	-
State tax credits	-	-	-	-	-
Federal grants and entitlements	-	-	-	-	-
Contributions from other government	-	-	-	-	-
Intergovernmental units	-	-	49,370	71,722	-
Auto license fees & use tax	-	-	-	-	-
Office fees and collections	-	-	-	-	-
Electronic transaction fee	138,528	14,087	-	-	1,460
Interest on investments	-	-	-	-	-
Assessments	-	-	-	-	-
Received from other funds	-	-	-	-	-
Miscellaneous	1,714	18,995	-	-	-
Total additions	<u>140,242</u>	<u>33,082</u>	<u>49,370</u>	<u>71,722</u>	<u>1,460</u>
Deductions:					
Agency remittances:					
To other funds	57,887	15,107	-	-	-
To other governments	87,020	19,850	-	70,408	2,171
To private sector	-	2,723	64,645	-	-
Total deductions	<u>144,907</u>	<u>37,680</u>	<u>64,645</u>	<u>70,408</u>	<u>2,171</u>
Balances, end of year	<u>\$ 15,838</u>	<u>\$ 6,310</u>	<u>\$ 275</u>	<u>\$ 13,240</u>	<u>\$ 399</u>

Schedule 4

<u>Sheriff's Special Fund</u>	<u>Sheriff's Forfeiture</u>	<u>Sheriff's Reserves</u>	<u>Inmate Jail Fee/60%</u>	<u>Inmate Jail Fee/40%</u>	<u>E911 Surcharge</u>	<u>County Assessor</u>
\$ -	\$ 1,406	\$ 14,590	\$ 10,934	\$ 4,884	\$ 92,968	\$ 119,725
-	-	-	-	-	-	56,812
-	-	-	-	-	35,788	-
-	-	-	-	-	-	3,435
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	20,458	33
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	65	3,160	6,625	1,260	-	35
-	-	139	-	-	796	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>416</u>	<u>65</u>	<u>3,299</u>	<u>6,625</u>	<u>1,260</u>	<u>57,042</u>	<u>60,315</u>
-	-	-	-	-	-	-
-	74	3,992	-	2,898	43,354	73,300
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>74</u>	<u>3,992</u>	<u>-</u>	<u>2,898</u>	<u>43,354</u>	<u>73,300</u>
<u>\$ 416</u>	<u>\$ 1,397</u>	<u>\$ 13,897</u>	<u>\$ 17,559</u>	<u>\$ 3,246</u>	<u>\$ 106,656</u>	<u>\$ 106,740</u>

(continued)

RINGGOLD COUNTY

Combining Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds

Year Ended June 30, 2008

	Special Appraisers	Hospital	Agricultural Extension	District Schools	Area Vocational Schools
ASSETS AND LIABILITIES					
Balances, beginning of year	\$ 65,734	\$ 789,679	\$ 65,584	\$ 3,422,548	\$ 141,735
Additions:					
Property and other county tax	64,463	761,942	60,503	3,298,947	136,506
E911 surcharge	-	-	-	-	-
State tax credits	3,897	46,057	6,448	-	8,251
Federal grants and entitlements	-	-	-	-	-
Contributions from other government	-	-	-	-	-
Intergovernmental units	38	443	37	201,055	79
Auto license fees & use tax	-	-	-	-	-
Office fees and collections	-	-	-	-	-
Electronic transaction fee	-	-	-	-	-
Interest on investments	-	-	-	-	-
Assessments	-	-	-	-	-
Received from other funds	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total additions	<u>68,398</u>	<u>808,442</u>	<u>66,988</u>	<u>3,500,002</u>	<u>144,836</u>
Deductions:					
Agency remittances:					
To other funds	-	-	-	-	-
To other governments	52,388	786,134	63,104	3,042,623	122,809
To private sector	-	-	-	-	-
Total deductions	<u>52,388</u>	<u>786,134</u>	<u>63,104</u>	<u>3,042,623</u>	<u>122,809</u>
Balances, end of year	<u>\$ 81,744</u>	<u>\$ 811,987</u>	<u>\$ 69,468</u>	<u>\$ 3,879,927</u>	<u>\$ 163,762</u>

Schedule 4

County Corporation	2001 Mt. Ayr Sewer Project	City of Mt. Ayr Nuisance Assessment	Auto Township	Brucellosis/ Tuberculosis	Sun Valley Sanitary Dist.	Auto License & Use Tax
\$ 692,918	\$ -	\$ -	\$ 105,970	\$ 767	\$ 537	\$ 103,130
608,208	-	-	95,656	798	-	-
-	-	-	-	-	-	-
49,679	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,947	-	-	6,174	45	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,246,343
-	-	-	-	-	-	-
-	7,736	-	-	-	-	-
-	-	-	-	-	-	-
-	-	2,007	-	-	-	-
<u>659,834</u>	<u>7,736</u>	<u>2,007</u>	<u>101,830</u>	<u>843</u>	<u>-</u>	<u>1,246,343</u>
-	-	-	-	-	-	-
665,252	7,736	1,160	69,047	799	44	1,245,080
-	-	-	-	-	-	-
<u>665,252</u>	<u>7,736</u>	<u>1,160</u>	<u>69,047</u>	<u>799</u>	<u>44</u>	<u>1,245,080</u>
\$ <u>687,500</u>	\$ <u>-</u>	\$ <u>847</u>	\$ <u>138,753</u>	\$ <u>811</u>	\$ <u>493</u>	\$ <u>104,393</u>

(continued)

RINGGOLD COUNTY

Combining Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds

Year Ended June 30, 2008

	Anatomical Gift Donation	Anticipated Property Tax	Tax Sale Redemption	Recorder's Electronic Fee	Unreimbursed Medical
ASSETS AND LIABILITIES					
Balances, beginning of year	\$ 9	\$ 17,529	\$ 1,781	\$ 246	\$ 1,515
Additions:					
Property and other county tax	-	-	-	-	-
E911 surcharge	-	-	-	-	-
State tax credits	-	-	-	-	-
Federal grants and entitlements	-	-	-	-	-
Contributions from other government Intergovernmental units	-	24,781	-	-	-
Auto license fees & use tax	-	-	-	-	-
Office fees and collections	-	-	-	-	-
Electronic transaction fee	148	-	219,568	1,708	-
Interest on investments	-	-	-	-	-
Assessments	-	-	-	-	-
Received from other funds	-	-	-	-	-
Miscellaneous	-	-	-	-	20,035
Total additions	<u>148</u>	<u>24,781</u>	<u>219,568</u>	<u>1,708</u>	<u>20,035</u>
Deductions:					
Agency remittances:					
To other funds	-	-	-	-	-
To other governments	150	25,986	221,349	1,690	20,035
To private sector	-	-	-	-	-
Total deductions	<u>150</u>	<u>25,986</u>	<u>221,349</u>	<u>1,690</u>	<u>20,035</u>
Balances, end of year	\$ <u>7</u>	\$ <u>16,324</u>	\$ <u>-</u>	\$ <u>264</u>	\$ <u>1,515</u>

Schedule 4

Dependent Care	Holding Fund	RC Grid Systems	Civil Service Commission	K-9 Unit	Jail Sales Tax	Total
\$ 942	\$ -	\$ 25,679	\$ 102	\$ 5,273	\$ -	\$ 5,746,182
-	-	-	-	-	-	5,083,835
-	-	-	-	-	-	35,788
-	-	-	-	-	-	117,767
-	-	-	-	-	-	-
-	466,017	-	-	-	12,160	854,359
-	-	-	-	-	-	-
-	-	-	-	-	-	1,246,343
-	-	-	-	-	-	386,644
-	-	42,774	25	-	3	43,737
-	-	-	-	-	-	7,736
-	-	-	-	-	-	-
<u>20,394</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,260</u>	<u>178,529</u>	<u>258,350</u>
<u>20,394</u>	<u>466,017</u>	<u>42,774</u>	<u>25</u>	<u>16,260</u>	<u>190,692</u>	<u>8,034,559</u>
-	-	-	-	-	-	72,994
20,205	466,017	-	18	16,310	-	7,131,003
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,368</u>
<u>20,205</u>	<u>466,017</u>	<u>-</u>	<u>18</u>	<u>16,310</u>	<u>-</u>	<u>7,271,365</u>
<u>\$ 1,131</u>	<u>\$ -</u>	<u>\$ 68,453</u>	<u>\$ 109</u>	<u>\$ 5,223</u>	<u>\$ 190,692</u>	<u>\$ 6,509,376</u>

RINGGOLD 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	\$ 2,378,667	\$ 1,956,741	\$ 2,053,277	\$ 1,953,082
Interest and penalty on property tax	23,318	25,247	27,031	30,283
Intergovernmental	2,953,366	3,166,022	3,251,379	2,887,698
Licenses and permits	4,063	3,990	4,095	4,646
Charges for services	463,708	445,510	428,925	329,549
Use of money and property	70,008	97,606	75,665	32,856
Miscellaneous	748,897	626,826	283,620	270,585
Total	\$ 6,642,027	\$ 6,321,942	\$ 6,123,992	\$ 5,508,699
Expenditures:				
Current:				
Public safety and legal services	\$ 886,922	\$ 874,604	\$ 701,767	\$ 669,817
Physical health and social services	692,498	627,573	589,576	574,633
Mental health	770,648	845,620	813,173	762,558
County environment and education services	255,199	218,889	276,470	171,052
Roads and transportation	2,675,684	2,270,960	2,522,764	2,899,018
Governmental services to residents	238,969	224,146	304,642	250,981
Administrative services	1,151,770	951,928	528,631	486,657
Non-program	11,078	12,461	14,599	12,467
Debt service	42,680	42,681	42,680	42,680
Capital projects	35,430	299,780	497,199	214,851
Total	\$ 6,760,878	\$ 6,368,642	\$ 6,291,501	\$ 6,084,714



**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
Ringgold County
Mt. Ayr, Iowa

We have audited the financial statements of Ringgold County, Iowa, as of and for the year ended June 30, 2008, and have issued our report thereon dated March 31, 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 Ringgold County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 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 and another deficiency that we consider to be a material weakness.

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 the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in Part II 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 that a material misstatement of the financial statements will not be prevented or detected by the entity'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 that II-A-08 is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ringgold County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 III 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 findings were necessarily audited. The findings involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Ringgold County's responses to 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 Ringgold 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 Ringgold County and those parties to whom Ringgold County may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Ringgold 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.

Clifton Gunderson LLP

Cedar Rapids, Iowa
March 31, 2009

RINGGOLD COUNTY
Schedule of Findings
Year Ended June 30, 2008

PART I - SUMMARY OF THE INDEPENDENT AUDITOR'S RESULTS

1. Unqualified opinions were issued on the financial statements.
2. Significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements, including a material weakness.
3. The audit did not disclose any non-compliance which is material to the financial statements.

PART II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

MATERIAL WEAKNESS

II-A-08 SEGREGATION OF DUTIES IN THE ACCOUNTING FUNCTION

Criteria: The County has a responsibility to establish and maintain effective internal controls over financial transactions and reporting, which includes adequate segregation of duties.

Condition: The County Treasurer has custody of receipts and performs all record-keeping and reconciling functions for the office, including those related to all federal programs.

Questioned Costs: None.

Context: During our audit we found that the County Treasurer could perform all functions in the collecting of receipts.

Effect: Incompatible duties were not properly segregated.

Cause: Ideal separation of incompatible duties is difficult with the size of the County.

Recommendation: When this condition exists, management's close supervision and review of accounting information is the best means of preventing or detecting errors and irregularities.

The County should review its operating procedures to obtain the maximum internal control possible given the size of the County Treasurer's office.

Management Response and Corrective Action Plan: We agree, and will continue to look for ways to realign and reassign duties where practical.

Conclusion: Response accepted.

RINGGOLD COUNTY

Schedule of Findings

Year Ended June 30, 2008

PART II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS (CONTINUED)

SIGNIFICANT DEFICIENCIES

II-B-08 AUDIT ADJUSTMENTS

Criteria: The County should have adequate procedures to provide for the accuracy and reliability of the trial balance given to the auditor.

Condition: During the course of the audit, misstatements that had a material effect on the County's financial statements were discovered. Adjusting journal entries were made to correct these misstatements.

Context: Although adjustments during the course of an audit are not uncommon, the independent auditor cannot be considered part of the County's internal control system.

Effect: As a result of this condition, there is a higher risk that misstatements that are material to the financial statements could occur and not be detected.

Cause: The County has relied on the independent auditor to some degree to provide assurance that the financial statements are not materially misstated.

Recommendation: We recommend that the County establish internal procedures to adjust all account balances prior to the audit.

Management Response: Management believes establishing these procedures will result in potential financial statement misstatements being identified and corrected prior to audit.

Conclusion: Response accepted.

II-C-08 PREPARATION OF FINANCIAL STATEMENTS

Criteria: The Board of Supervisors and management share the ultimate responsibility for the County's financial statements, including disclosures.

Condition: The County has not implemented procedures, to the degree necessary, to perform a review of, and assume responsibility for, the County's financial statements and related disclosures to provide a high level of assurance that potential omissions or other errors that are less than material, but more than inconsequential, would be identified and corrected.

Context: While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced. The independent auditor cannot be considered a part of the County's internal control system. The County has implemented procedures to review the financial statements and disclosures but has not utilized review aids, such as a disclosure checklist, and may not have monitored recent accounting developments to the extent necessary to provide a high level of assurance that financial statement omissions or other errors would be identified and corrected.

RINGGOLD COUNTY

Schedule of Findings

Year Ended June 30, 2008

PART II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS (CONTINUED)

II-C-08 PREPARATION OF FINANCIAL STATEMENTS (CONTINUED)

Effect: As a result of this condition, there is a higher risk that financial statement omissions or other errors could occur and not be detected.

Cause: The County has relied on the independent auditor to some degree to provide assurance that the financial statements, including disclosures, are not materially misstated.

Recommendation: We recommend that sufficient financial statement and disclosure review procedures be performed by an individual possessing a thorough understanding of applicable generally accepted accounting principles and knowledge of the County's activities and operations.

Management Response: The County does not have the resources to employ staff possessing the detailed understanding of applicable generally accepted accounting principles to the extent required to utilize such a disclosure checklist. We understand the list of GAAP requirements in these disclosure checklists exceeds 50 pages in length. As a result, Ringgold County has relied on the independent auditor to identify disclosures required in the financial statements.

Conclusion: Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

PART III - OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING

III-A-08 Certified Budget - Disbursements during the year ended June 30, 2008 did not exceed the amounts budgeted. During the year disbursements exceeded the amounts budgeted before amendments were passed in the following functions: public safety, roads and transportation and administrative services. Chapter 331.434(6) of the Code of Iowa stated in part that public monies may not be expended or encumbered except under an annual or continuing appropriation.

Recommendation - The budget should have been amended in accordance with Chapter 331.435 of the Code of Iowa before disbursements were allowed to exceed the budget.

Response - The budget will be amended in the future, if applicable.

Conclusion - Response accepted.

Schedule of Findings

Year Ended June 30, 2008

PART III - OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING (CONTINUED)

III-B-08 Questionable Expenditures - No expenditures were noted that did not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

III-C-08 Travel Expense - No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

III-D-08 Business Transactions - We noted the following business transactions between the County and County officials or employees:

Shirley & Daves Computer, employee, David Hightshoe	\$ 5,696.51
Derald's Garage, County Treasurer, Beverly Noble	\$ 4,883.29
Dredge Feed Service, County Supervisor, Royce Dredge	\$ 142.57

In accordance with Chapter 331.342(10) of the Code of Iowa, the transactions under \$1,500 do not appear to represent a conflict of interest since total transactions were less than \$1,500 during the fiscal year.

In accordance with Chapter 331.3421(10) of the Code of Iowa, the transactions over \$1,500 may represent a conflict of interest since the transactions exceeded \$1,500 during the fiscal year.

Recommendation - The County should consult legal counsel to determine the disposition of this matter.

Response - The County will consult with the County Attorney.

Conclusion - Response accepted.

III-E-08 Bond Coverage - Surety bond coverage of County officials and employees is in accordance with statutory provisions.

III-F-08 Board Minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.

III-G-08 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County's investment policy were noted.

III-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).

RINGGOLD COUNTY

Schedule of Findings

Year Ended June 30, 2008

PART III - OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING
(CONTINUED)

III-I-08 Capital Lease Purchase Agreement - During the year ended June 30, 2008, the County had a capital lease purchase agreement for the purchase of an elevator in the County Courthouse.

III-J-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 exceeded the amount budgeted.

Recommendation - The budget should have been amended before disbursements were allowed to exceed budget.

Response - The budget will be amended in the future, if applicable.

Conclusion - Response accepted

III-K-08 Publication of Salaries - During the year ended June 30, 2008, the County did not publish the actual gross salaries as required by Chapter 349.18 of the Code of Iowa.

Recommendation - The County should publish gross salaries as required by Iowa Code.

Response - The County will publish gross salaries as required.

Conclusion - Response accepted.

RINGGOLD COUNTY

Audit Staff

This audit was performed by:

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