



C E R T I F I E D ♦ P U B L I C ♦ A C C O U N T A N T S

24 EAST MAIN STREET • MARSHALLTOWN, IOWA 50158 • 641-753-9337 • FAX 641-753-6366
418 2ND STREET • GLADBROOK, IOWA 50635 • 641-473-2717 • FAX 641-753-6366
4949 PLEASANT STREET • SUITE 206 • WEST DES MOINES, IOWA 50266 • 515-278-0286 • FAX 515-278-0287

James R. Bowman, CPA • jim@bowmanandmillerpc.com
Elizabeth A. Miller, CPA • beth@bowmanandmillerpc.com
Lori H. Stansberry, CPA • lori@bowmanandmillerpc.com

January 8, 2010

Mr. David Vaudt, CPA
Auditor of State
State Capitol
Des Moines, Iowa 50319

Dear Mr. Vaudt:

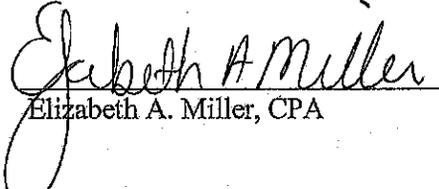
We submit herewith an audit report of the examination of Tama County of Toledo, Iowa, as provided in Chapter 11 of the Code of Iowa and Government Auditing Standards, issued by the Comptroller General of the United States.

This examination of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tama County is for the period ending June 30, 2009. The work papers are on file at our office.

None of the records were taken out of the County.

Sincerely,

BOWMAN AND MILLER, P.C.


Elizabeth A. Miller, CPA

EAM:dss
Encl.

NEWS RELEASE

FOR RELEASE _____

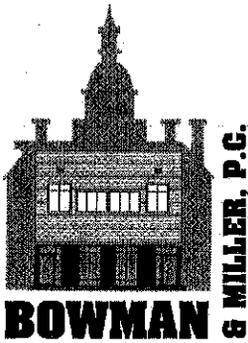
Bowman and Miller, P.C. today released an audit report on Tama County, Iowa.

The County had local tax revenue of \$23,232,304 for the year ended June 30, 2009, which included \$1,165,689 in tax credits from the state. The County forwarded \$15,336,885 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$7,895,419 of the local tax revenue to finance County operations, a 4.9 percent increase from the prior year. Other revenues include charges for services of \$1,460,869, operating grants, contributions and restricted interest of \$4,987,211, capital grants, contributions, and restricted interest of \$409,164, local option sales tax of \$548,739, unrestricted investment earnings of \$126,832 and other general revenues of \$13,539.

Expenditures for County operations totaled \$14,387,765, a 2.7 percent decrease from the prior year. Expenditures included \$6,316,159 for Roads and Transportation, \$2,679,163 for Public Safety and \$1,849,704 for Mental Health.

A copy of the audit report is available for review in the County's Auditor's office, in the Office of the Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/reports.htm>.



C E R T I F I E D ♦ P U B L I C ♦ A C C O U N T A N T S

24 EAST MAIN STREET • MARSHALLTOWN, IOWA 50158 • 641-753-9337 • FAX 641-753-6366
 418 2ND STREET • GLADBROOK, IOWA 50635 • 641-473-2717 • FAX 641-753-6366
 4949 PLEASANT STREET • SUITE 206 • WEST DES MOINES, IOWA 50266 • 515-278-0286 • FAX 515-278-0287

James R. Bowman, CPA • jim@bowmanandmillerpc.com
 Elizabeth A. Miller, CPA • beth@bowmanandmillerpc.com
 Lori H. Stansberry, CPA • lori@bowmanandmillerpc.com

January 8, 2010

Tama County Board of Supervisors
 Administrative Building
 Toledo, IA 52342

For professional services as follows:

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Senior Accountant and review	182	\$ 76.59	\$ 13,940.00
Staff Accountants	132	55.00	7,260.00
Office Staff, Clerical	10	30.00	<u>300.00</u>
Total services			<u>\$ 21,500.00</u>

TAMA COUNTY

**Independent Auditors' Reports
Basic Financial Statements and Supplementary Information
Schedule of Findings and Questioned Costs**

June 30, 2009

Tama County Table of Contents

		<u>Page</u>
Officials		1
Independent Auditors' Report		2-3
Management's Discussion and Analysis		4-10
Basic Financial Statements:	<u>Exhibit</u>	
Government-wide Financial Statements:		
Statement of Net Assets	A	11
Statement of Activities	B	12-13
Governmental Fund Financial Statements:		
Balance Sheet	C	14-15
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Assets	D	16
Statement of Revenues, Expenditures and Changes in Fund Balances	E	17-18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	F	19
Proprietary Fund Financial Statements:		
Statement of Net Assets	G	20
Statement of Revenues, Expenses and Changes in Fund Net Assets	H	21
Statement of Cash Flows	I	22
Fiduciary Fund Financial Statement:		
Statement of Fiduciary Assets and Liabilities – Agency Funds	J	23
Notes to Financial Statements		24-38
Required Supplementary Information:		
Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances – Budget and Actual (Cash Basis) – All Governmental Funds		39-40
Budget to GAAP Reconciliation		41
Notes to Required Supplementary Information – Budgetary Reporting		42
Other Supplementary Information:	<u>Schedule</u>	
Nonmajor Governmental Funds:		
Combining Balance Sheet	1	43-44
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	2	45-46
Agency Funds:		
Combining Schedule of Fiduciary Assets and Liabilities	3	47-49
Combining Schedule of Changes in Fiduciary Assets and Liabilities	4	50-53
Schedule of Revenues by Source and Expenditures by Function – All Governmental Funds	5	54-55
Schedule of Expenditures of Federal Awards	6	56-57

Tama County Table of Contents

	<u>Page</u>
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	58-59
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	60-61
Schedule of Findings and Questioned Costs	62-65
Audit Staff	66

Tama County

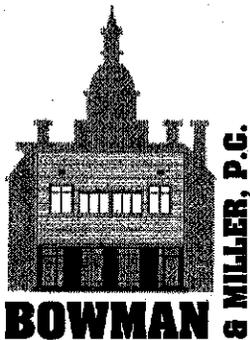
Officials

(Before January 2009)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Keith Sash	Board of Supervisors	January 2009
Patrick Henry	Board of Supervisors	January 2009
Larry Vest	Board of Supervisors	January 2011
Laura Kopsa	County Auditor	January 2009
Sandra K. Fowler	County Treasurer	January 2011
Deborah Kupka	County Recorder	January 2011
Dennis Kucera	County Sheriff	January 2009
Brent D. Heeren	County Attorney	January 2011
Jerry Witt	County Assessor	January 2009

(After January 2009)

<u>Name</u>	<u>Title</u>	<u>Expires</u>
Larry Vest	Board of Supervisors	January 2011
Dan Wilkens	Board of Supervisors	January 2013
Kendall Jordan	Board of Supervisors	January 2013
Laura Kopsa	County Auditor	January 2013
Sandra K. Fowler	County Treasurer	January 2011
Deborah Kupka	County Recorder	January 2011
Dennis Kucera	County Sheriff	January 2013
Brent D. Heeren	County Attorney	January 2011
Jerry Witt	County Assessor	January 2010



C E R T I F I E D ♦ P U B L I C ♦ A C C O U N T A N T S

24 EAST MAIN STREET • MARSHALLTOWN, IOWA 50158 • 641-753-9337 • FAX 641-753-6366
418 2ND STREET • GLADBROOK, IOWA 50635 • 641-473-2717 • FAX 641-753-6366
4949 PLEASANT STREET • SUITE 206 • WEST DES MOINES, IOWA 50266 • 515-278-0286 • FAX 515-278-0287

James R. Bowman, CPA • jim@bowmanandmillerpc.com
Elizabeth A. Miller, CPA • beth@bowmanandmillerpc.com
Lori H. Stansberry, CPA • lori@bowmanandmillerpc.com

Independent Auditors' Report

To the Officials of Tama County:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Tama County, Iowa, as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements listed in the table of contents. These financial statements are the responsibility of Tama County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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 our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Tama County at June 30, 2009, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated January 8, 2010 on our consideration of Tama 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 4 through 10 and 39 through 42 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Tama 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 eight years ended June 30, 2008 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 6, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, 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.

Bowman and Miller, P.C.

January 8, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

Tama 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, 2009. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2009 FINANCIAL HIGHLIGHTS

- Revenues of the County's governmental activities remained virtually unchanged from fiscal 2008 to fiscal 2009. General revenues increased approximately \$275,000 and charges for services increased approximately \$42,000; however, operating grants, contributions and restricted interest decreased approximately \$261,000 and capital grants and contributions decreased approximately \$91,000.
- Program expenses of the County's governmental activities were 2.7%, or approximately \$400,000, less in fiscal 2009 than in fiscal 2008. Public safety and legal services expenses decreased approximately \$115,000 and roads and transportation expenses decreased approximately \$307,000.
- The County's net assets increased 2.2%, or approximately \$571,000, from June 30, 2008 to June 30, 2009.

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 Tama 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 Tama 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 Tama 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 nonmajor governmental and the individual Agency Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the County.

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 three 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 and 3) 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) Proprietary funds account for the County's Internal Service, Employee Group Health Fund. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions.

The required financial statements for proprietary funds include a statement of net assets, a statement of revenues, expenses and changes in fund net assets and a statement of cash flows.

3) 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. The County's combined net assets were virtually unchanged from a year ago, increasing from \$26.5 million to \$27 million. The analysis that follows focuses on the changes in net assets of governmental activities.

Net Assets of Governmental Activities (Expressed in Thousands)		
	June 30,	
	2009	2008
Current and other assets	\$ 16,805	15,140
Capital assets	18,995	20,058
Total assets	<u>35,800</u>	<u>35,198</u>
Long-term liabilities	518	423
Other liabilities	8,202	8,266
Total liabilities	<u>8,720</u>	<u>8,689</u>
Net assets:		
Invested in capital assets, net of related debt	18,963	19,997
Restricted	6,333	4,815
Unrestricted	1,784	1,697
Total net assets	<u>\$ 27,080</u>	<u>26,509</u>

Net assets of Tama County's governmental activities increased 2.2% (\$26.5 million compared to \$27 million). The largest portion of the County's net assets is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. Restricted net assets represent resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net assets -- 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 -- increased from approximately \$1,700,000 at June 30, 2008 to approximately \$1,800,000 at the end of this year, an increase of 5.1%. The change is due to an increase in unrestricted revenues primarily relating to tax collections and a decrease in expenditures for roadway maintenance and capital projects. The County purchased no new major roadway equipment in 2009.

Changes in Net Assets of Governmental Activities		
	Year ended June 30,	
	2009	2008
Revenues:		
Program revenues:		
Charges for service	\$ 1,460,869	1,418,957
Operating grants, contributions and restricted interest	4,987,211	5,247,860
Capital grants, contributions and restricted interest	409,164	499,774
General revenues:		
Property tax	6,959,089	6,593,009
Interest and penalty on property tax	66,489	75,760
State tax credits	387,193	388,054
Local option sales tax	548,739	547,461
Unrestricted investment earnings	126,832	200,417
Other general revenues	13,539	22,178
Total revenues	14,959,125	14,993,470
Program expenses:		
Public safety and legal services	2,679,163	2,794,596
Physical health and social services	1,358,463	1,378,116
Mental health	1,849,704	1,793,996
County environment and education	590,555	480,445
Roads and transportation	6,316,159	6,623,262
Governmental services to residents	483,490	482,506
Administration	1,108,031	1,231,334
Non-program	2,200	3,427
Total expenses	14,387,765	14,787,682
Increase in net assets	571,360	205,788
Net assets beginning of year	26,509,106	26,303,318
Net assets end of year	\$ 27,080,466	26,509,106

Tama County's net assets of governmental activities increased approximately \$571,000 during the year. Revenues for governmental activities remained virtually unchanged from fiscal 2008 to fiscal 2009. The total cost of all programs and services decreased by 2.7%. Operating grants, contributions and restricted interest decreased due to fewer dollars being received from the Iowa Department of Transportation through road use tax funds.

The cost of all governmental activities this year was approximately \$14.4 million compared to approximately \$14.87 million last year. However, as shown in the Statement of Activities on page 13, the amount that our taxpayers ultimately financed for these activities was only \$7.5 million because some of the cost was paid by those who directly benefited from the programs (\$1.5 million) or by other governments and organizations that subsidized certain programs with contributions and grants (\$5.4 million). Overall, the County's governmental program revenues including intergovernmental aid and fees for services, decreased in 2009 from approximately \$7.2 million to approximately \$6.9 million. The County paid for the remaining "public benefit" portion of governmental activities (\$7 million) with taxes (some of which could only be used for certain programs) and with other revenues, such as interest and general entitlements. General revenues increased due to an increase in property tax collections.

INDIVIDUAL MAJOR FUND ANALYSIS

As Tama County completed the year, its governmental funds reported a combined fund balance of approximately \$6.6 million, an increase of more than \$1.2 million above last year's total of approximately \$5.4 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues and expenditures remained consistent when compared to the prior year. The ending fund balance showed a modest increase of approximately \$122,000 from the prior year to approximately \$3,012,000.
- The County has continued to look for ways to effectively manage the cost of mental health services. For the year, expenditures totaled approximately \$1,861,000, an increase of 4.3% from the prior year. The Mental Health Fund balance at year end increased approximately \$250,000 over the prior year.
- Rural Services Fund revenues increased 3.8% or approximately \$94,000 over the prior year, due principally to an increase in the tax revenues collected. For the year, expenditures totaled approximately \$396,000, a decrease of 45% from the prior year. This decrease was a result of fewer dollars being expended on roadway construction projects and snow and ice removal.
- Secondary Roads Fund revenues decreased approximately \$277,000, due principally to fewer dollars being received from road use tax and reimbursements from other governments for joint projects. Expenditures decreased approximately \$194,000 due to fewer road maintenance projects being done. The amount that the County transferred from the Rural Services and General Funds decreased by approximately \$94,000. These changes resulted in an increase in the Secondary Roads Fund ending balance of approximately \$170,000 or 11.5%

BUDGETARY HIGHLIGHTS

Over the course of the year, Tama County amended its budget once. The amendment was made in May 2009 and resulted in an increase in budgeted disbursements related to local health and home ownership grant expenditures. The County received additional funding from the state related to a veterans affairs grant and the home ownership grant. The expenditures were increased to reflect this additional revenue.

The County's receipts were \$155,614 greater than budgeted, a variance of 1%.

Total disbursements were \$2,612,472 less than the amended budget. This was primarily due to the County anticipated capital projects not being done.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2009, Tama County had approximately \$40 million invested in a broad range of capital assets, including public safety equipment, buildings, roads and bridges. This amount represents a net increase (including additions and deletions) of approximately \$338,000, or less than 1% over last year.

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

	June 30,	
	2009	2008
Land	\$ 859	740
Construction in progress	122	791
Buildings and improvements	5,400	5,364
Machinery and equipment	7,802	7,701
Infrastructure	26,223	25,472
Total	<u>\$ 40,406</u>	<u>40,068</u>

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

Sheriff's vehicles	48
Boilers	36
Conservation equipment	46
Conservation land	119
Roadway construction	82
Total	<u>\$ 331</u>

The County had depreciation expense of \$1,437,727 in fiscal 2009 and total accumulated depreciation of \$21,410,807 at June 30, 2009.

The County's fiscal year 2009 capital budget included funds primarily for the continued upgrading of secondary roads and purchase of land for conservation. These projects will be funded with resources on hand in the County's fund balances. More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

At June 30, 2009, the County had approximately \$518,000 in a capital lease and other debt compared to approximately \$423,000 at June 30, 2008, as shown below.

	June 30,	
	2009	2008
Capital Lease Purchase Agreement	\$ 31,893	61,342
Compensated Absences	486,459	361,669
Total	<u>\$ 518,352</u>	<u>423,011</u>

The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5 percent of the assessed value of all taxable property within the County's corporate limits. Tama County's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$37 million. Additional information about the County's long-term debt is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Tama County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2010 budget, tax rates and the fees charged for various County activities. The proposed budget for fiscal year 2010 includes some increases above the current budget in both the revenue and expenditure categories.

The County anticipates some improvement in total assessed valuations due to expansion of value-added agricultural enterprises, such as bio diesel and ethanol plants, as well as improved prices of agricultural commodities, which will be reflected in the productivity factor. However, residential rollbacks may off-set some of these increases.

The County continues to seek ways to contain costs by sharing programs and personnel with other counties and to increase revenues through user fees, grants and contracts rather than solely relying on tax income.

The County's share of total property tax collections is about 20%. The remaining 80% of property tax collections are disbursed to the school districts, community colleges, city governments, townships, extension service and other entities within the County.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Tama County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Auditor's Office, Tama County Administration Building, 104 West State Street, P.O. Box 61, Toledo, Iowa, 52342.

Tama County
Statement of Net Assets
June 30, 2009

Exhibit A

	Governmental Activities
Assets	
Cash and pooled investments	\$ 8,262,583
Receivables:	
Property tax:	
Delinquent	13,012
Succeeding year	7,399,959
Interest and penalty on property tax	64,524
Accounts	21,368
Accrued interest	8,995
Due from other governments	468,587
Inventories	535,614
Prepaid expenses	30,236
Capital assets (net of accumulated depreciation)	18,995,351
Total assets	35,800,229
Liabilities	
Accounts payable	522,737
Salaries and benefits payable	124,143
Due to other governments	154,572
Deferred revenue:	
Succeeding year property tax	7,399,959
Long-term liabilities:	
Portion due or payable within one year:	
Capital lease purchase agreement	31,893
Compensated absences	486,459
Total liabilities	8,719,763
Net Assets	
Invested in capital assets, net of related debt	18,963,458
Restricted for:	
Supplemental levy purposes	1,145,859
Mental health purposes	253,596
Secondary roads purposes	1,449,100
Capital projects	40,439
Other purposes	3,444,362
Unrestricted	1,783,652
Total net assets	\$ 27,080,466

Tama County
Statement of Activities
Year Ended June 30, 2009

	Expenses	Program Revenues		
		Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
Functions/Programs:				
Governmental activities:				
Public safety and legal services	\$ 2,679,163	287,521	31,923	-
Physical health and social services	1,358,463	431,286	326,770	-
Mental health	1,849,704	236,137	1,308,421	-
County environment and education	590,555	47,628	138,251	112,520
Roads and transportation	6,316,159	90,097	3,181,405	296,644
Governmental services to residents	483,490	281,829	441	-
Administration	1,108,031	36,278	-	-
Non-program	2,200	50,093	-	-
Total	\$ 14,387,765	1,460,869	4,987,211	409,164

General Revenues:

- Property and other county tax levied for:
 - General purposes
- Interest and penalty on property tax
- State tax credits
- Local option sales tax
- Unrestricted investment earnings
- Gain on sale of property and equipment
- Miscellaneous

Total general revenues

Change in net assets

Net assets beginning of year

Net assets end of year

Net (Expense)
Revenue and Changes
in Net Assets

(2,359,719)

(600,407)

(305,146)

(292,156)

(2,748,013)

(201,220)

(1,071,753)

47,893

(7,530,521)

6,959,089

66,489

387,193

548,739

126,832

4,991

8,548

8,101,881

571,360

26,509,106

\$ 27,080,466

Tama County
Balance Sheet
Governmental Funds
June 30, 2009

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Assets				
Cash and pooled investments	\$ 2,979,131	428,412	1,100,160	1,147,036
Receivables:				
Property tax:				
Delinquent	11,207	1,302	503	-
Succeeding year	4,909,424	562,445	1,928,090	-
Interest and penalty on property tax	64,524	-	-	-
Accounts	21,197	117	-	54
Accrued interest	354	-	-	-
Due from other funds	-	-	-	40,380
Due from other governments	100,480	35,937	87,831	244,339
Inventories	-	-	-	535,614
Prepaid expense	30,236	-	-	-
Total assets	\$ 8,116,553	1,028,213	3,116,584	1,967,423
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 43,327	52,230	289	240,170
Salaries and benefits payable	68,217	3,837	5,026	47,063
Due to other funds	-	-	40,380	-
Due to other governments	8,593	145,459	-	520
Deferred revenue:				
Succeeding year property tax	4,909,424	562,445	1,928,090	-
Other	75,386	1,281	503	34,698
Total liabilities	5,104,947	765,252	1,974,288	322,451
Fund balances:				
Reserved for:				
Supplemental levy purposes	1,145,859	-	-	-
Unreserved, reported in:				
General fund	1,865,747	-	-	-
Special revenue funds	-	262,961	1,142,296	1,644,972
Capital projects fund	-	-	-	-
Total fund balances	3,011,606	262,961	1,142,296	1,644,972
Total liabilities and fund balances	\$ 8,116,553	1,028,213	3,116,584	1,967,423

<u>Nonmajor</u>	<u>Total</u>
585,207	6,239,946
-	13,012
-	7,399,959
-	64,524
-	21,368
-	354
-	40,380
-	468,587
-	535,614
-	30,236
<u>585,207</u>	<u>14,813,980</u>

8,240	344,256
-	124,143
-	40,380
-	154,572
-	7,399,959
43,520	155,388
<u>51,760</u>	<u>8,218,698</u>

-	1,145,859
-	1,865,747
493,008	3,543,237
40,439	40,439
<u>533,447</u>	<u>6,595,282</u>
<u>585,207</u>	<u>14,813,980</u>

Tama County
Reconciliation of the Balance Sheet -
Governmental Funds to the Statement of Net Assets
June 30, 2009

Exhibit D

Total governmental fund balances (page 15) \$ 6,595,282

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$40,406,158 and the accumulated depreciation is \$21,410,807. 18,995,351

Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the governmental funds. 155,388

The Internal Service Fund is used by management to charge the costs of the partial self funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Assets. 1,852,797

Long-term liabilities, including capital lease purchase agreement payable and compensated absences payable are not due and payable in the current period and, therefore, are not reported in the governmental funds. (518,352)

Net assets of governmental activities (page 11) \$ 27,080,466

Tama County
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2009

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Revenues:				
Property and other county tax	\$ 4,615,619	536,298	2,356,309	-
Interest and penalty on property tax	57,758	-	-	-
Intergovernmental	1,154,554	1,567,195	102,585	3,443,351
Licenses and permits	11,059	-	-	3,410
Charges for service	511,324	6,990	-	-
Use of money and property	150,065	-	-	-
Miscellaneous	23,165	-	-	86,687
Total revenues	<u>6,523,544</u>	<u>2,110,483</u>	<u>2,458,894</u>	<u>3,533,448</u>
Expenditures:				
Operating:				
Public safety and legal services	2,625,219	-	24,316	-
Physical health and social services	1,379,806	-	-	-
Mental health	-	1,860,702	-	-
County environment and education	453,280	-	99,314	-
Roads and transportation	-	-	215,737	4,902,700
Governmental services to residents	472,964	-	3,188	-
Administration	1,132,708	-	-	-
Non-program	2,200	-	-	-
Capital projects	61,098	-	53,243	79,663
Total expenditures	<u>6,127,275</u>	<u>1,860,702</u>	<u>395,798</u>	<u>4,982,363</u>
Excess (deficiency) of revenues over (under) expenditures	<u>396,269</u>	<u>249,781</u>	<u>2,063,096</u>	<u>(1,448,915)</u>
Other financing sources (uses):				
Sale of capital assets	-	-	-	-
Operating transfers in	-	-	-	1,618,472
Operating transfers out	(274,230)	-	(1,496,119)	-
Total other financing sources (uses)	<u>(274,230)</u>	<u>-</u>	<u>(1,496,119)</u>	<u>1,618,472</u>
Net change in fund balances	122,039	249,781	566,977	169,557
Fund balances beginning of year	2,889,567	13,180	575,319	1,475,415
Fund balances end of year	<u>\$ 3,011,606</u>	<u>262,961</u>	<u>1,142,296</u>	<u>1,644,972</u>

Nonmajor	Total
-	7,508,226
-	57,758
150,750	6,418,435
-	14,469
3,292	521,606
19,220	169,285
17,859	127,711
<u>191,121</u>	<u>14,817,490</u>

59,551	2,709,086
-	1,379,806
-	1,860,702
27,997	580,591
-	5,118,437
2,725	478,877
-	1,132,708
-	2,200
<u>146,123</u>	<u>340,127</u>
<u>236,396</u>	<u>13,602,534</u>

<u>(45,275)</u>	<u>1,214,956</u>
-----------------	------------------

4,991	4,991
151,877	1,770,349
-	(1,770,349)
<u>156,868</u>	<u>4,991</u>

111,593	1,219,947
<u>421,854</u>	<u>5,375,335</u>
<u>533,447</u>	<u>6,595,282</u>

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
to the Statement of Activities
Year Ended June 30, 2009**

Net change in fund balances - Total governmental funds (page 18) **\$ 1,219,947**

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Depreciation expense exceeded capital outlays in the current year as follows:

Expenditures for capital assets	\$ 375,001	
Depreciation expense	<u>(1,437,727)</u>	(1,062,726)

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

Property tax	8,333	
Other	<u>78,218</u>	86,551

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

29,449

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

Compensated absences		(124,790)
----------------------	--	-----------

The Internal Service Fund is used by management to charge the costs of the partial self-funding of the County's health insurance benefit plan to individual funds. The change in net assets of the Internal Service Fund is reported with governmental activities.

422,929

Change in net assets of governmental activities (page 13) **\$ 571,360**

Tama County
Statement of Net Assets
Proprietary Fund
June 30, 2009

Exhibit G

	<u>Internal Service- Employee Group Health</u>
Assets	
Cash and cash equivalents	\$ 2,022,637
Accrued interest	8,641
Total assets	<u>2,031,278</u>
Liabilities	
Accounts payable	<u>178,481</u>
Net Assets	
Unrestricted	<u>\$ 1,852,797</u>

Tama County
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Fund
Year Ended June 30, 2009

Exhibit H

		Internal Service- Employee Group Health
Operating revenues:		
Reimbursements from operating funds	\$ 1,717,016	
Reimbursements from others	17,600	
Insurance reimbursements	23,011	
Total operating revenues		1,757,627
Operating expenses:		
Medical claims	\$ 1,163,885	
Insurance premiums	153,098	
Administrative fees	67,808	
Operating income		372,836
Non-operating revenues:		
Interest income		50,093
Net income		422,929
Net assets beginning of year		1,429,868
Net assets end of year		\$ 1,852,797

Tama County
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2009

Exhibit I

	Internal Service- Employee Group Health
Cash flows from operating activities:	
Cash received from operating fund reimbursements	\$ 1,717,016
Cash received from employees and others	17,600
Cash received from insurance reimbursements	23,011
Cash paid to suppliers for services	(1,410,775)
Net cash provided by operating activities	346,852
 Cash flows from investing activities:	
Interest on investments	50,972
Net increase in cash and cash equivalents	397,824
Cash and cash equivalents beginning of year	1,624,813
Cash and cash equivalents end of year	\$ 2,022,637
 Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 372,836
Adjustments to reconcile operating income to net cash provided by operating activities:	
(Decrease) in accounts payable	(25,984)
Net cash provided by operating activities	\$ 346,852

Tama County
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2009

Exhibit J

Assets

Cash and pooled investments:	
County Treasurer	\$ 1,452,507
Other County officials	18,027
Receivables:	
Property tax:	
Delinquent	51,515
Succeeding year	15,197,076
Accounts	50,729
Due from other governments	18,755
Total assets	<u>16,788,609</u>

Liabilities

Accounts payable	139,559
Salaries and benefits payable	21,793
Due to other governments	16,509,949
Trusts payable	53,717
Compensated absences	63,591
Total liabilities	<u>16,788,609</u>
Net assets	<u><u>\$ -</u></u>

Tama County
Notes to Financial Statements
June 30, 2009

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

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

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

A. Reporting Entity

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

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

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

Drainage District #3 has been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although this district is legally separate from the County, it is controlled, managed and supervised by the Tama County Board of Supervisors. This drainage district is reported as a Special Revenue Fund. The County has other drainage districts that are managed and supervised by elected trustees. The financial transactions of these districts are reported in an agency fund. Financial information of the individual drainage districts can be obtained from the Tama County Auditor's office.

Tama County
Notes to Financial Statements (Continued)
June 30, 2009

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

A. Reporting Entity (continued)

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. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Tama County Assessor's Conference Board, Tama County Joint E-911 Service Board, Tama County Economic Development Commission and Tama County Emergency Management Commission. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Agency Funds of the County.

The County also participates in the following additional jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa: Heartland Risk Pool Insurance, Tama County Solid Waste Disposal Commission, County Case Management Services, Mid-Iowa Drug Task Force, Northeast Iowa Response Group, Central Iowa Juvenile Detention Center and Region VI Planning Commission.

B. Basis of Presentation

Government-wide Financial Statements – The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the County and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenues and other nonexchange transactions.

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

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

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

Unrestricted net assets consist of net assets not meeting the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management which can be removed or modified.

Tama County
Notes to Financial Statements (Continued)
June 30, 2009

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

B. Basis of Presentation (continued)

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

The County reports the following major governmental funds:

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

Special Revenue:

The Mental Health Fund is used to account for property tax and other revenues designated to be used to fund mental health, mental retardation, and developmental disabilities services.

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:

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

Tama County
Notes to Financial Statements (Continued)
June 30, 2009

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

B. Basis of Presentation (continued)

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

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

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments, compensated absences and termination benefits 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 proprietary fund of the County applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure.

Tama County
Notes to Financial Statements (Continued)
June 30, 2009

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

C. Measurement Focus and Basis of Accounting (continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's Internal Service Fund is charges to customers for sales and services. Operating expenses for Internal Service Funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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.

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

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date 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.

Tama County
Notes to Financial Statements (Continued)
June 30, 2009

(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 fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2007 assessed property valuations; is for the tax accrual period July 1, 2008 through June 30, 2009 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2008.

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 certain transactions between funds had not been paid or received as of June 30, 2009, 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 consist of expendable supplies held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Capital Assets – Capital assets, which include property, equipment and vehicles, and infrastructure assets acquired after July 1, 1980 (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the County), are reported in the governmental activities column in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost 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 repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

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

Tama County
Notes to Financial Statements (Continued)
June 30, 2009

(1) Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity (continued)

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

Asset Class	Estimated Useful Lives (In Years)
Buildings	20 – 50
Building improvements	20 – 50
Infrastructure	30 – 50
Equipment	5 – 20
Vehicles	7 – 10

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

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

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

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2009. The compensated absences liability attributable to the governmental activities will be paid primarily by the General, Mental Health, Rural Services and Secondary Roads Funds.

Tama County
Notes to Financial Statements (Continued)
June 30, 2009

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

D. Assets, Liabilities and Fund Equity (continued)

Long-Term Liabilities – In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund 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 legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net Assets – The net assets of the Internal Service, Employee Group Health Fund is designated for anticipated future catastrophic losses of the County.

E. Budgets and Budgetary Accounting.

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2009, disbursements in a department exceeded the amount appropriated.

(2) **Cash and Pooled Investments**

The County's deposits in banks at June 30, 2009 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.

In addition, the County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$998,354 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Tama County
Notes to Financial Statements (Continued)
June 30, 2009

(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) to 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 the Iowa Public Agency Investment Trust is unrated.

(3) Due From and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2009 is as follows:

Receivable Fund	Payable Fund	Amount
Special Revenue: Secondary Roads	Special Revenue: Rural Services	\$ 40,380

These balances result from the time lag between the dates 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, 2009 is as follows:

Transfer to	Transfer from	Amount
Capital Projects	General	\$ 39,000
Special Revenue: Vehicle Replacement/Computer Maintenance	General	83,838
Land Acquisition and Development Fund	General	29,039
Special Revenue: Secondary Roads	General	122,353
	Special Revenue: Rural Services	1,496,119
		<u>1,618,472</u>
		<u>\$ 1,770,349</u>

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

Tama County
Notes to Financial Statements (Continued)
June 30, 2009

(5) Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 739,979	119,036	-	859,015
Construction in progress	791,091	-	669,123	121,968
Total capital assets not being depreciated	<u>1,531,070</u>	<u>119,036</u>	<u>669,123</u>	<u>980,983</u>
Capital assets being depreciated:				
Buildings	5,363,802	35,840	-	5,399,642
Equipment and vehicles	7,701,405	146,985	46,125	7,802,265
Infrastructure, road network	25,472,252	751,016	-	26,223,268
Total capital assets being depreciated	<u>38,537,459</u>	<u>933,841</u>	<u>46,125</u>	<u>39,425,175</u>
Less accumulated depreciation for:				
Buildings	2,012,932	107,770	-	2,120,702
Equipment and vehicles	4,792,192	500,157	37,372	5,254,977
Infrastructure, road network	13,205,328	829,800	-	14,035,128
Total accumulated depreciation	<u>20,010,452</u>	<u>1,437,727</u>	<u>37,372</u>	<u>21,410,807</u>
Total capital assets being depreciated, net	<u>18,527,007</u>	<u>(503,886)</u>	<u>8,753</u>	<u>18,014,368</u>
Governmental activities capital assets, net	<u>\$ 20,058,077</u>	<u>(384,850)</u>	<u>677,876</u>	<u>18,995,351</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 86,708
Physical health and social services	21,857
Mental health	7,381
County environment and education	27,827
Roads and transportation	1,214,060
Governmental services to residents	22,306
Administration	57,588
Total depreciation expense - governmental activities	<u>\$ 1,437,727</u>

Tama County
Notes to Financial Statements (Continued)
June 30, 2009

(6) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2009 is as follows:

	Capital Lease Purchase Agreement	Compensated Absences	Total
Balance beginning of year	\$ 61,342	361,669	423,011
Increases	-	124,790	124,790
Decreases	29,449	-	29,449
Balance end of year	\$ 31,893	486,459	518,352
Due within one year	\$ 31,893	486,459	518,352

Capital Lease Purchase Agreement

The County has entered into a capital lease purchase agreement to lease new financial and administrative accounting software with an historical cost of \$121,333. The following is a schedule of the future minimum lease payments, including interest at a rate of 8.3% per annum, and the present value of net minimum lease payments under the agreement in effect at June 30, 2009:

Year ending June 30,	Financial and Administrative Accounting Software
2010	\$ 34,544
Total minimum lease payments	34,544
Less amount representing interest	2,651
Present value of net minimum lease payments	\$ 31,893

Payments under the capital lease purchase agreement totaled \$34,544 for the year ended June 30, 2009.

Tama County
Notes to Financial Statements (Continued)
June 30, 2009

(7) Operating Leases

The County has entered into various operating leases for office copy machines and a postage meter. These leases expire at various times through November 2014. The following is a schedule by year of the total annual lease costs required under the operating leases.

Year ending June 30,	Rent Due
2010	\$ 11,863
2011	11,863
2012	11,608
2013	7,657
2014	468
Total	<u>\$ 43,459</u>

The total annual lease costs for the year ended June 30, 2009 were \$19,752.

(8) Due to Other Governments

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

Fund	Description	Amount
General	Services	\$ 8,593
Special Revenue:		
Secondary Roads	Services	520
Mental Health	Services	145,459
		<u>145,979</u>
	Total for governmental funds	<u>\$ 154,572</u>
Agency:		
County Assessor	Collections	\$ 529,165
Schools		9,893,746
Community Colleges		1,343,380
Corporations		3,440,112
Townships		272,022
Auto License and Use Tax		363,224
E-911		173,910
Emergency Management Services		106,291
All other		388,099
	Total for agency funds	<u>\$ 16,509,949</u>

Tama County
Notes to Financial Statements (Continued)
June 30, 2009

(9) Tama County Employee Group Health Fund

The Internal Service, Tama County Employee Group Health Fund was established to account for the partial self funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Bernie Lowe Associates, Inc. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of \$32,500. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the Tama County Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Gallagher Benefits, Inc. from the Tama County Employee Group Health Fund. The County's contribution for the year ended June 30, 2009 was \$1,717,016.

Amounts payable from the Employee Group Health Fund at June 30, 2009 total \$178,481, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior-year and current-year claims and to establish a reserve for catastrophic losses. That reserve was \$1,852,797 at June 30, 2009 and is reported as a designation of the Internal Service, Employee Group Health Fund net assets. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid claims as beginning of year	<u>\$ 204,465</u>
Incurred claims (including claims incurred but not reported at June 30, 2009).	1,163,885
Payments on claims during the fiscal year	<u>1,189,869</u>
Unpaid claims end of year	<u>\$ 178,481</u>

(10) Pension and Retirement Benefits

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

Tama County
Notes to Financial Statements (Continued)
June 30, 2009

(10) Pension and Retirement Benefits (continued)

Most regular plan members are required to contribute 4.10% of their annual covered salary and the County is required to contribute 6.35% of covered salary. Certain employees in special risk occupations and the County contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The County's contribution to IPERS for the years ended June 30, 2009, 2008, and 2007 were \$330,884, \$323,897 and \$292,624, respectively, equal to the required contributions for each year.

(11) Risk Management

Tama County is a member in the Heartland Risk Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Heartland Risk Pool (Pool) is a local government risk-sharing pool whose members include ten counties throughout the State of Iowa. The Pool was formed July 1, 1987 to provide workers' compensation and property/casualty insurance for its members. The risk pool was created for the purpose of providing and maintaining self-insurance benefits on a group basis substantially at cost.

Each member County is responsible for the payment of member contributions to the risk pool on an annual basis. Member contributions to the risk pool are recorded as expenditures from the operating funds at the time of payment to the risk pool. In the event of payment of any loss by the risk pool, the risk pool is subrogated to the extent of such payment to all the rights of the member County against any person or other entity legally responsible for damages for said loss, and in such event, the member County is responsible for rendering all reasonable assistance, other than pecuniary assistance, to affect recovery. The risk pool is responsible for paying the reinsurance premiums on the insurance policies when due, to pay claims in accordance with the various coverages and to make other payments as required by applicable law, to establish and accumulate a reserve or reserves in amounts which are deemed advisable or required by law to carry out the purposes of the risk pool, and to pay all reasonable and necessary expenses for administering the risk pool and fund.

Initial risk of loss for the self-insured coverage is retained by the risk pool. The risk pool obtained a reinsurance policy for the year ended June 30, 2009, which covers exposures of specific losses in excess of \$750,000, with a \$250,000 corridor deductible, per occurrence up to the statutory limits for workers compensation, and in excess of \$400,000 per occurrence, up to a maximum of \$8,000,000 per occurrence, including the retention of the pool, for general liability, police professional, errors and omissions and automobile liability. The risk pool records a liability for unpaid claims based on estimates of reported and incurred but not reported claims and related loss adjustment expenses. At June 30, 2009, 2008 and 2007 the risk pool reported a surplus of assets over liabilities.

Member Counties retain the risk of claims, if any, exceeding maximum reinsurance coverages and the amount of surplus maintained in the risk pool by means of an assessment that would be charged to the member County in addition to the premium contributions. At June 30, 2009, settled claims have not exceeded the risk pool reinsurance coverage since commencement of the risk pool.

Tama County
Notes to Financial Statements (Continued)
June 30, 2009

(11) 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 contributions to the Pool for the year ended June 30, 2009 were \$334,083.

Initial membership into the Pool is for a mandatory three year period. Subsequent to the initial term, a member County may withdraw at the end of any given fiscal year. The initial membership period for Tama County commenced July 1, 1987 and is subject to renewal every three years. 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.

(12) Contingent Liability

During the year ended June 30, 1994, an underground storage tank investigation classified three former underground storage tank sites in Tama County as high risk, requiring the County to submit plans for remedial action to the Iowa Department of Natural Resources. The County is currently contesting the high risk classification for two of the three sites. The County estimates the costs to remediate the sites under the proposed plans to be approximately \$75,000 per site. As a result, a liability for \$150,000 has been recorded in accounts payable in the Secondary Roads Fund at June 30, 2009.

The environmental impact of the sites is currently unknown and the potential liability, if any, for additional costs associated with the sites is indeterminable.

Required Supplementary Information

Tama 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, 2009

	Actual	Less Funds not Required to be Budgeted
Receipts:		
Property and other county tax	\$ 7,506,822	-
Interest and penalty on property tax	58,243	-
Intergovernmental	6,736,793	-
Licenses and permits	14,551	-
Charges for services	567,471	-
Use of money and property	180,185	-
Miscellaneous	126,284	-
Total receipts	15,190,349	-
Disbursements:		
Public safety and legal services	2,699,299	-
Physical health and social services	1,377,151	-
Mental health	1,927,193	-
County environment and education	610,628	-
Roads and transportation	5,121,978	-
Governmental services to residents	478,241	-
Administration	1,170,143	-
Non-program	2,200	-
Capital projects	289,762	-
Total disbursements	13,676,595	-
Excess (deficiency) of receipts over (under) disbursements	1,513,754	-
Other financing sources, net	4,991	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	1,518,745	-
Balance beginning of year	4,721,201	859
Balance end of year	\$ 6,239,946	859

Net	Budgeted Amounts		Final to
	Original	Final	Net Variance
7,506,822	7,444,461	7,444,461	62,361
58,243	-	-	58,243
6,736,793	6,501,378	6,634,505	102,288
14,551	10,800	10,800	3,751
567,471	501,655	501,655	65,816
180,185	26,300	26,300	153,885
126,284	394,215	417,014	(290,730)
<u>15,190,349</u>	<u>14,878,809</u>	<u>15,034,735</u>	<u>155,614</u>
2,699,299	2,969,634	2,969,634	270,335
1,377,151	1,368,823	1,461,638	84,487
1,927,193	2,000,213	2,000,213	73,020
610,628	602,577	689,599	78,971
5,121,978	5,767,957	5,767,957	645,979
478,241	506,319	506,319	28,078
1,170,143	1,365,652	1,365,652	195,509
2,200	10,750	10,750	8,550
289,762	1,517,305	1,517,305	1,227,543
<u>13,676,595</u>	<u>16,109,230</u>	<u>16,289,067</u>	<u>2,612,472</u>
1,513,754	(1,230,421)	(1,254,332)	2,768,086
4,991	-	-	4,991
1,518,745	(1,230,421)	(1,254,332)	2,773,077
<u>4,720,342</u>	<u>2,727,350</u>	<u>2,727,350</u>	<u>1,992,992</u>
<u>6,239,087</u>	<u>1,496,929</u>	<u>1,473,018</u>	<u>4,766,069</u>

Tama County
 Budgetary Comparison Schedule -
 Budget to GAAP Reconciliation
 Required Supplementary Information
 Year Ended June 30, 2009

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 15,190,349	(372,859)	14,817,490
Expenditures	13,676,595	(74,061)	13,602,534
Net	1,513,754	(298,798)	1,214,956
Other financing sources, net	4,991	-	4,991
Beginning fund balances	4,721,201	654,134	5,375,335
Ending fund balances	\$ 6,239,946	355,336	6,595,282

Tama County
Notes to Required Supplementary Information-
Budgetary Reporting
June 30, 2009

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, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund. 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, one budget amendment increased budgeted disbursements by \$179,837. The budget amendment is reflected in the final budgeted amounts.

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

During the year ended June 30, 2009, disbursements in a department exceeded the amount appropriated.

Other Supplementary Information

Tama County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009

	Resource Enhancement and Protection	Vehicle Replacement / Computer Maintenance	Medicaid Reimburse- ment	Land Acquisition and Development Fund
Assets				
Cash and pooled investments	\$ 43,385	56,318	21,720	284,016
Total assets	\$ 43,385	56,318	21,720	284,016
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	-	-	8,190
Deferred revenue	-	-	-	43,520
Total liabilities	-	-	-	51,710
Fund balances:				
Unreserved	43,385	56,318	21,720	232,306
Total liabilities and fund balances	\$ 43,385	56,318	21,720	284,016

Special Revenue								
Tama County Nature Center	Security Services	County Recorder's Records Management	County Sheriff's Forfeiture Fund	County Sheriff's DARE Monies	County Attorney's Forfeiture Fund	Drainage District	Capital Projects	Total
76,509	11,514	50,270	31	29	117	859	40,439	585,207
76,509	11,514	50,270	31	29	117	859	40,439	585,207
50	-	-	-	-	-	-	-	8,240
-	-	-	-	-	-	-	-	43,520
50	-	-	-	-	-	-	-	51,760
76,459	11,514	50,270	31	29	117	859	40,439	533,447
76,509	11,514	50,270	31	29	117	859	40,439	585,207

Tama County
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2009

	Resource Enhancement and Protection	Vehicle Replacement / Computer Maintenance	Medicaid Reimburse- ment	Land Acquisition and Development Fund
Revenues:				
Intergovernmental	\$ 18,062	-	-	118,782
Charges for service	-	-	-	-
Use of money and property	831	97	-	4,585
Miscellaneous	-	36	-	9,503
Total revenues	18,893	133	-	132,870
Expenditures:				
Operating:				
Public safety and legal services	-	44,000	-	-
County environment and education	-	23,911	-	-
Governmental services to residents	-	-	-	-
Capital projects	-	370	-	145,753
Total expenditures	-	68,281	-	145,753
Excess (deficiency) of revenues over (under) expenditures	18,893	(68,148)	-	(12,883)
Other financing sources:				
Sale of capital assets	-	4,991	-	-
Operating transfers in	-	83,838	-	29,039
Total other financing sources	-	88,829	-	29,039
Net change in fund balances	18,893	20,681	-	16,156
Fund balances beginning of year	24,492	35,637	21,720	216,150
Fund balances end of year	\$ 43,385	56,318	21,720	232,306

Special Revenue								
Tama County Nature Center	Security Services	County Recorder's Records Management	County Sheriff's Forfeiture Fund	County Sheriff's DARE Monies	County Attorney's Forfeiture Fund	Drainage District	Capital Projects	Total
-	13,906	-	-	-	-	-	-	150,750
-	-	3,292	-	-	-	-	-	3,292
13,266	-	441	-	-	-	-	-	19,220
8,034	-	-	-	-	286	-	-	17,859
21,300	13,906	3,733	-	-	286	-	-	191,121
-	3,954	-	4,592	4,005	3,000	-	-	59,551
4,086	-	-	-	-	-	-	-	27,997
-	-	2,725	-	-	-	-	-	2,725
-	-	-	-	-	-	-	-	146,123
4,086	3,954	2,725	4,592	4,005	3,000	-	-	236,396
17,214	9,952	1,008	(4,592)	(4,005)	(2,714)	-	-	(45,275)
-	-	-	-	-	-	-	-	4,991
-	-	-	-	-	-	-	39,000	151,877
-	-	-	-	-	-	-	39,000	156,868
17,214	9,952	1,008	(4,592)	(4,005)	(2,714)	-	39,000	111,593
59,245	1,562	49,262	4,623	4,034	2,831	859	1,439	421,854
76,459	11,514	50,270	31	29	117	859	40,439	533,447

Tama County
Combining Schedule of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2009

	County Offices		Agricultural	County Assessor	Schools
	County Recorder	County Sheriff	Extension Education		
Assets					
Cash and pooled investments:					
County Treasurer	\$ -	-	2,761	237,962	177,911
Other County officials	5,999	12,028	-	-	-
Receivables:					
Property tax:					
Delinquent	-	-	346	835	22,415
Succeeding year	-	-	150,000	400,030	9,693,420
Accounts	1,790	-	-	89	-
Due from other governments	-	-	-	-	-
Total assets	\$ 7,789	12,028	153,107	638,916	9,893,746
Liabilities					
Accounts payable	\$ -	-	-	89,946	-
Salaries and benefits payable	-	-	-	4,633	-
Due to other governments	7,789	24	153,107	529,165	9,893,746
Trusts payable	-	12,004	-	-	-
Compensated absences	-	-	-	15,172	-
Total liabilities	\$ 7,789	12,028	153,107	638,916	9,893,746

Community Colleges	Corporations	Townships	Special Assessments	Auto License and Use Tax	Empowerment	Emergency Management Services	E-911
23,447	56,895	5,057	1,322	363,224	87,721	142,417	146,999
-	-	-	-	-	-	-	-
3,462	24,379	72	-	-	-	-	-
1,316,471	3,358,838	266,893	-	-	-	-	-
-	-	-	-	-	7,768	-	20,219
-	-	-	-	-	-	9,158	9,597
<u>1,343,380</u>	<u>3,440,112</u>	<u>272,022</u>	<u>1,322</u>	<u>363,224</u>	<u>95,489</u>	<u>151,575</u>	<u>176,815</u>
-	-	-	-	-	26,452	31	2,905
-	-	-	-	-	-	11,425	-
1,343,380	3,440,112	272,022	1,322	363,224	69,037	106,291	173,910
-	-	-	-	-	-	-	-
-	-	-	-	-	-	33,828	-
<u>1,343,380</u>	<u>3,440,112</u>	<u>272,022</u>	<u>1,322</u>	<u>363,224</u>	<u>95,489</u>	<u>151,575</u>	<u>176,815</u>

Tama County

Schedule 3

Combining Schedule of Fiduciary Assets and Liabilities (Continued)

Agency Funds

June 30, 2009

	Economic Development	Sanitary Landfill	Third Party Payees	Other	Total
Assets					
Cash and pooled investments:					
County Treasurer	\$ 56,586	55,714	41,713	52,778	1,452,507
Other County officials	-	-	-	-	18,027
Receivables:					
Property tax:					
Delinquent	-	-	-	6	51,515
Succeeding year	-	-	-	11,424	15,197,076
Accounts	-	20,863	-	-	50,729
Due from other governments	-	-	-	-	18,755
Total assets	\$ 56,586	76,577	41,713	64,208	16,788,609
Liabilities					
Accounts payable	\$ 7,237	12,988	-	-	139,559
Salaries and benefits payable	2,282	3,453	-	-	21,793
Due to other governments	43,845	48,767	-	64,208	16,509,949
Trusts payable	-	-	41,713	-	53,717
Compensated absences	3,222	11,369	-	-	63,591
Total liabilities	\$ 56,586	76,577	41,713	64,208	16,788,609

Tama County
Combining Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds
Year Ended June 30, 2009

	County Offices			Agricultural Extension Education
	County Auditor	County Recorder	County Sheriff	
Assets and Liabilities				
Balances beginning of year	\$ -	10,907	1,168	153,573
Additions:				
Property and other county tax	-	-	-	142,392
E-911 surcharge	-	-	-	-
State tax credits	-	-	-	7,864
Interest	-	-	-	-
Office fees and collections	2,444	237,265	269,161	-
Auto licenses, drivers license, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	-	-	157,254	-
Reimbursements from other governments	-	-	-	-
Miscellaneous	-	-	-	-
Total additions	2,444	237,265	426,415	150,256
Deductions:				
Agency remittances:				
To other funds	2,444	107,878	265,914	-
To other governments	-	132,505	4,332	150,722
Trusts paid out	-	-	145,309	-
Total deductions	2,444	240,383	415,555	150,722
Balances end of year	\$ -	7,789	12,028	153,107

County Assessor	Schools	Community Colleges	Corporations	Townships	Special Assessments	Auto License and Use Tax	Empowerment
660,216	9,741,283	1,329,652	3,605,910	268,910	3,543	321,021	111,847
381,762	9,204,223	1,221,369	3,346,762	252,889	-	-	-
-	-	-	-	-	-	-	-
18,990	500,021	64,775	172,003	14,192	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	4,106,915	-
-	-	-	-	-	28,129	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,099	-	-	-	-	-	-	369,733
401,851	9,704,244	1,286,144	3,518,765	267,081	28,129	4,106,915	369,733
-	-	-	-	-	-	182,210	-
423,151	9,551,781	1,272,416	3,684,563	263,969	30,350	3,882,502	386,091
-	-	-	-	-	-	-	-
423,151	9,551,781	1,272,416	3,684,563	263,969	30,350	4,064,712	386,091
638,916	9,893,746	1,343,380	3,440,112	272,022	1,322	363,224	95,489

Tama County
Combining Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds (Continued)
Year Ended June 30, 2009

	Emergency Management Services	E-911	Economic Development	Sanitary Landfill
Assets and Liabilities				
Balances beginning of year	\$ 172,437	171,793	33,972	30,853
Additions:				
Property and other county tax	-	-	-	-
E-911 surcharge	-	183,782	-	-
State tax credits	-	-	-	-
Interest	-	2,488	-	-
Office fees and collections	-	-	-	-
Auto licenses, drivers license, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	-	-	-	-
Reimbursements from other governments	605,302	-	124,981	-
Miscellaneous	1,079	-	50,019	520,624
Total additions	606,381	186,270	175,000	520,624
Deductions:				
Agency Remittances:				
To other funds	-	-	-	-
To other governments	627,243	181,248	152,386	474,900
Trusts paid out	-	-	-	-
Total deductions	627,243	181,248	152,386	474,900
Balances end of year	\$ 151,575	176,815	56,586	76,577

Third Party Payees	Other	Total
26,878	66,395	16,710,358
-	8,992	14,558,389
-	-	183,782
-	651	778,496
-	-	2,488
-	3,293	512,163
-	-	4,106,915
-	-	28,129
283,643	353,854	794,751
-	4,051	734,334
-	-	942,554
283,643	370,841	22,642,001
-	-	558,446
-	25,398	21,243,557
268,808	347,630	761,747
268,808	373,028	22,563,750
41,713	64,208	16,788,609

Tama County
 Schedule of Revenues By Source and Expenditures By Function -
 All Governmental Funds
 For the Last Nine Years

	2009	2008	2007	2006
Revenues:				
Property and other county tax	\$ 7,508,226	7,139,743	6,779,700	6,639,233
Interest and penalty on property tax	57,758	73,650	66,062	63,803
Intergovernmental	6,418,435	6,877,451	6,754,711	6,442,517
Licenses and permits	14,469	14,946	13,515	14,408
Charges for service	521,606	505,387	498,324	522,452
Use of money and property	169,285	251,133	300,347	213,015
Miscellaneous	127,711	81,984	48,739	58,830
Total	\$ 14,817,490	14,944,294	14,461,398	13,954,258
Expenditures:				
Operating:				
Public safety and legal services	\$ 2,709,086	2,672,476	2,531,566	2,480,455
Physical health and social services	1,379,806	1,335,015	1,202,218	1,121,910
Mental health	1,860,702	1,783,875	1,694,136	2,387,504
County environment and education	580,591	616,085	825,251	579,237
Roads and transportation	5,118,437	5,414,893	5,889,960	5,197,434
Governmental services to residents	478,877	459,901	429,841	533,397
Administration	1,132,708	1,199,758	1,171,989	1,107,117
Non-program	2,200	3,427	181	827
Capital projects	340,127	783,271	641,249	321,022
Total	\$ 13,602,534	14,268,701	14,386,391	13,728,903

Modified Accrual Basis				
2005	2004	2003	2002	2001
6,302,697	5,931,794	5,211,802	4,747,824	4,434,697
110,698	53,806	58,411	53,772	45,311
6,258,963	6,194,220	5,803,803	5,297,022	5,028,399
10,841	13,645	6,712	4,772	3,890
576,931	542,154	533,987	651,744	597,378
118,865	94,480	120,038	170,579	316,028
109,005	55,017	120,108	64,832	86,037
<u>13,488,000</u>	<u>12,885,116</u>	<u>11,854,861</u>	<u>10,990,545</u>	<u>10,511,740</u>
2,449,550	2,202,911	2,116,423	1,886,482	1,808,236
1,119,516	1,102,767	1,009,196	998,613	1,047,870
1,737,404	1,697,265	1,737,208	1,560,067	1,609,005
779,924	471,499	841,820	329,472	325,188
5,629,714	5,690,051	4,819,756	4,650,243	4,475,333
441,282	394,182	616,975	426,239	279,420
1,043,037	1,060,873	798,186	828,318	829,662
198	973	48,324	236,278	243
317,057	88,333	52,904	206,745	1,150,558
<u>13,517,682</u>	<u>12,708,854</u>	<u>12,040,792</u>	<u>11,122,457</u>	<u>11,525,515</u>

Tama County
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2009

Schedule 6

Grantor/Program	CFDA Number	Agency or Pass- through Number	Program Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 11,570
Iowa Department of Public Health:			
Mid-Iowa Community Action:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		4,084
U.S. Department of Housing and Urban Development:			
Iowa Department of Economic Development:			
Home Investment Partnerships Program	14.239	06-HM-133-69	45,568
U.S. Department of Justice:			
Iowa Department of Justice:			
Governor's Office of Drug Control Policy:			
Edward Byrne Memorial Formula Grant Program	16.579	03C-1514	32,873
Edward Byrne Memorial Formula Grant Program	16.579	DJ-BX-0975	1,114
			<u>33,987</u>
U.S. Department of Transportation:			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	STP-E-CO86 (65)-8V-86	4,771
Iowa Department of Public Safety:			
Governor's Traffic Safety Bureau:			
Safety Belt Performance Grants	20.609	08-157, Task 162	3,373
Safety Belt Performance Grants	20.609	09-406, Task 157	829
			<u>4,202</u>
U. S. Department of Health and Human Services:			
Iowa Department of Public Health:			
Grinnell Regional Medical Center:			
Public Health Emergency Preparedness	93.069	5888I472	12,279
Public Health Emergency Preparedness	93.069	5889I472	4,850
			<u>17,129</u>
Immunization Grants	93.268	5889BT01	2,838
Immunization Grants	93.268	5888BT17	2,011
			<u>4,849</u>

Tama County
 Schedule of Expenditures of Federal Awards (Continued)
 Year Ended June 30, 2009

Schedule 6

Grantor/Program	CFDA Number	Agency or Pass- through Number	Program Expenditures
Mid-Iowa Community Action:			
Head Start	93.600		1,513
Maternal and Child Health Services Block Grant to the States	93.994		15,955
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Temporary Assistance for Needy Families	93.558		10,721
Refugee and Entrant Assistance-State Administered Programs	93.566		19
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		3,044
Foster Care-Title IV-E	93.658		6,469
Adoption Assistance	93.659		1,560
Medical Assistance Program	93.778		14,116
State Children's Insurance Program	93.767		89
Social Services Block Grant	93.667		7,027
Social Services Block Grant	93.667		73,675
			80,702
U.S. Department of Homeland Security:			
Iowa Department of Public Defense:			
Iowa Homeland Security and Emergency Management Division:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)-Conservation	97.036	1763-DR-IA	23,432
Disaster Grants - Public Assistance (Presidentially Declared Disasters)-Secondary Roads	97.036	1763-DR-IA	245,786
Disaster Grants - Public Assistance (Presidentially Declared Disasters)-Emergency Management	97.036	1763-DR-IA	5,718
			274,936
Emergency Management Performance Grants	97.042		32,225
Total			\$ 567,509

Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of Tama County and is presented on the modified accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



C E R T I F I E D ♦ P U B L I C ♦ A C C O U N T A N T S

24 EAST MAIN STREET • MARSHALLTOWN, IOWA 50158 • 641-753-9337 • FAX 641-753-6366
418 2ND STREET • GLADBROOK, IOWA 50635 • 641-473-2717 • FAX 641-753-6366
4949 PLEASANT STREET • SUITE 206 • WEST DES MOINES, IOWA 50266 • 515-278-0286 • FAX 515-278-0287

James R. Bowman, CPA • jim@bowmanandmillerpc.com
Elizabeth A. Miller, CPA • beth@bowmanandmillerpc.com
Lori H. Stansberry, CPA • lori@bowmanandmillerpc.com

Independent Auditors' Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Officials of Tama County:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Tama County, Iowa, as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements listed in the table of contents and have issued our report thereon dated January 8, 2010. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

A control deficiency exists when the design or operation of the 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 Tama County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of Tama County's financial statements that is more than inconsequential will not be prevented or detected by Tama County's internal control. We consider the deficiencies in internal control described in Part II of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we believe items II-A-09, II-B-09 and II-C-09 are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tama 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.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2009 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

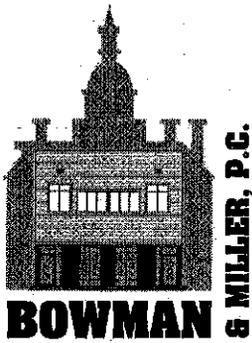
Tama County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusion on the county's response, we did not audit Tama County's response and, accordingly, we express no opinion on it.

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

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

Bowman and Miller, P.C.

January 8, 2010



C E R T I F I E D ♦ P U B L I C ♦ A C C O U N T A N T S

24 EAST MAIN STREET • MARSHALLTOWN, IOWA 50158 • 641-753-9337 • FAX 641-753-6366
418 2ND STREET • GLADBROOK, IOWA 50635 • 641-473-2717 • FAX 641-753-6366
4949 PLEASANT STREET • SUITE 206 • WEST DES MOINES, IOWA 50266 • 515-278-0286 • FAX 515-278-0287

James R. Bowman, CPA • jim@bowmanandmillerpc.com
Elizabeth A. Miller, CPA • beth@bowmanandmillerpc.com
Lori H. Stansberry, CPA • lori@bowmanandmillerpc.com

Independent Auditors' Report on Compliance with Requirements
Applicable to Each Major Program and on Internal Control over Compliance
in Accordance with OMB Circular A-133

To the Officials of Tama County:

Compliance

We have audited the compliance of Tama County, Iowa, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. Tama County's major federal programs are identified in Part 1 of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major federal programs is the responsibility of Tama County's management. Our responsibility is to express an opinion on Tama County's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Tama County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Tama County's compliance with those requirements.

In our opinion, Tama County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Tama County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered Tama County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion

A control deficiency in Tama County's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by Tama County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by Tama County's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the County's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Tama County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the County's responses, we did not audit Tama 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 Tama County and other parties to whom Tama County may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

Bowman and Miller, P.C.

January 8, 2010

Tama County
Schedule of Findings and Questioned Costs
Year Ended June 30, 2009

Part I: Summary of the Independent Auditors' Results:

- (a) Unqualified opinions were issued on the financial statements.
- (b) Significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements, including material weaknesses.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No significant deficiencies in internal control over major programs were identified.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no audit findings which are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
 - CFDA Number 97.036 – Disaster Grants-Public Assistance (Presidentially Declared Disaster Areas)
 - CFDA Number 93.667 – Social Services Block Grant
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Tama County did not qualify as a low-risk auditee.

Tama County
 Schedule of Findings and Questioned Costs (Continued)
 Year Ended June 30, 2009

Part II: Findings Related to the Financial Statements:

INSTANCES OF NON COMPLIANCE:

No matters were reported.

SIGNIFICANT DEFICIENCIES:

II-A-09 Segregation of Duties – During our review of internal control, the existing control procedures are evaluated in order to determine that incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and, therefore, maximizes the accuracy of the County's financial statements. We noted that generally one or two individuals in the offices identified may have control over the following areas for which no compensating controls exist:

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

Applicable
Offices

Treasurer,
Recorder

Recorder,
Sheriff

Treasurer,
Recorder,
Sheriff

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

Tama County
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2009

SIGNIFICANT DEFICIENCIES (continued):

Response – Each office will be reminded to segregate duties to practically accomplish internal controls.

Conclusion – Response accepted.

II-B-09 Financial Reporting – During the audit, we identified material amounts of receivables, payables and capital asset additions not recorded in the County's financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

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

Response – Letters will be sent to department heads and discussions will be held at department head meetings to emphasize the need to monitor these items more closely.

Conclusion – Response accepted.

II-C-09 Cash Receipts – The Conservation Department received funds from the State of Iowa in March and April 2009 and did not remit them to the County Treasurer until September, 2009.

Recommendation – All money should be paid to the County Treasurer by June 30 of each year.

Response – Money will be turned over to the County Treasurer upon receipt in the future.

Conclusion – Response accepted.

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCE OF NON-COMPLIANCE:

No matters were reported.

Tama County
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2009

Part IV: Other Findings Related to Required Statutory Reporting:

IV-A-09 Certified Budget – Disbursements during the year ended June 30, 2009 did not exceed the amounts budgeted. However, disbursements in a department exceeded the amount appropriated.

Recommendation – Chapter 331.434(6) of the Code of Iowa authorizes the Board of Supervisors, by resolution to increase or decrease appropriations of one office or department by increasing or decreasing the appropriation of another office or department as long as the function budget is not increased. Such increase or decreases should be made before disbursements are allowed to exceed the appropriation.

Response – We will more closely monitor this in the future.

Conclusion – Response accepted.

IV-B-09 Questionable Expenditures – We noted no expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

IV-C-09 Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

IV-D-09 Business Transactions – No business transactions between the County and County officials or employees were noted.

IV-E-09 Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of all bonds should be periodically reviewed to ensure the coverage is adequate for current operations.

IV-F-09 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

IV-G-09 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.

IV-H-09 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).

IV-I-09 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, 2009 for the County Extension Office did not exceed the amount budgeted.

Tama County
Audit Staff

This audit was performed by:

Bowman and Miller, P.C.
Certified Public Accountants
Marshalltown, Iowa

Personnel:

Elizabeth A. Miller, CPA, Principal
Lori H. Stansberry, CPA, Principal