

IOWA COUNTY ENGINEERS ASSOCIATION
SERVICE BUREAU

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2009 AND 2008

CONTENTS

	<u>PAGE</u>
Officials	1
Independent Auditor's Report	2
Management's Discussion and Analysis	3
Financial Statements:	
Statements of Net Assets	7
Statements of Revenues, Expenses and Changes in Net Assets	8
Statements of Cash Flows	9
Notes to Financial Statements	10
Independent Auditor's Report on Internal Control over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	13
Schedule of Findings	15

IOWA COUNTY ENGINEERS ASSOCIATION SERVICE BUREAU
OFFICIALS
AS OF JUNE 30, 2009

<u>Name</u>	<u>Title</u>	<u>Representing</u>
Todde Folkerts	Chairperson	Lucas County
John Rasmussen	Vice Chairperson	Pottawattamie County
Jim George	Member	Dallas County
Doug Julius	Alternate	Sioux County
Larry Vest	Member	Tama County
Dan Waid	Alternate	Hamilton County
John Riherd	Member	Butler County
Steve Michael	Member	Lyon County
Jon Ites	Alternate	Buena Vista County
Max Proctor	Alternate	Davis County
Donna Smith	Member	Dubuque County
Robert Fangmann	Alternate	Cedar County
David Paulson	Ex-Officio	Carroll County



Partners

Michael E. Brinker, CPA
David W. Hurst, CPA
Kathleen A. Koenig, CPA
Robert R. McGowen, CPA
Michael W. McNichols, CPA
Thomas J. Pflanz, CPA, CFP®
John A. Schmidt, CPA
Daniel A. Schwarz, CPA/ABV
S. James Smith, CPA
Joni M. Tonnemacher, CPA, CFD

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Iowa County Engineers Association Service Bureau

We have audited the accompanying statements of net assets of the Iowa County Engineers Association Service Bureau as of June 30, 2009 and 2008 and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Service Bureau's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the Iowa County Engineers Association Service Bureau as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report, dated September 25, 2009, on our consideration of the Iowa County Engineers Association Service Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 3 through 6 is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

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

West Des Moines, Iowa
September 25, 2009

IOWA COUNTY ENGINEERS ASSOCIATION SERVICE BUREAU
MANAGEMENT'S DISCUSSION AND ANALYSIS

Iowa County Engineers Association Service Bureau (Service Bureau) 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 Service Bureau's financial statements, which follow.

FINANCIAL HIGHLIGHTS

- The Organization's total revenue increased 3.21%, or \$13,108, from fiscal 2008 to fiscal 2009.
- The Organization's operating expenses increased 5.25%, or \$20,964, from fiscal 2008 to fiscal 2009.
- The Organization's net assets increased 0.61%, or \$1,682, from June 30, 2008 to June 30, 2009.

USING THIS ANNUAL REPORT

The Iowa County Engineers Association Service Bureau is a single Enterprise Fund and presents its financial statements using the economic resources measurement focus and full accrual basis of accounting. This discussion and analysis is intended to serve as an introduction to Iowa County Engineers Association Service Bureau's basic financial statements. 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 Service Bureau's financial activities.

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

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

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

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

IOWA COUNTY ENGINEERS ASSOCIATION SERVICE BUREAU
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE SERVICE BUREAU

Statements of Net Assets

Net assets over time may serve as a useful indicator of the Service Bureau's financial position. The Service Bureau's net assets for fiscal 2009 totaled approximately \$276,600 compared to approximately \$274,900 for fiscal 2008. A summary of the Service Bureau's net assets is presented below.

	June 30,	
	<u>2009</u>	<u>2008</u>
Current assets		
Cash and cash equivalents	\$ 63,174	\$ 51,317
Investments	229,032	220,388
Interest receivable	1,330	4,765
Total current assets	<u>293,536</u>	<u>276,470</u>
Property and equipment, net of accumulated depreciation	<u>27,015</u>	<u>40,287</u>
Total assets	<u>320,551</u>	<u>316,757</u>
Current liabilities		
Accounts payable	13,858	19,180
Compensated absences	26,672	18,773
Funds held for others	3,424	3,889
Total current liabilities	<u>43,954</u>	<u>41,842</u>
Net assets	<u>\$ 276,597</u>	<u>\$ 274,915</u>

The Service Bureau's Board has designated \$100,000 of its net assets for special projects. All other net assets represent unrestricted and undesignated net assets that can be used to meet the Service Bureau's obligations as they come due.

IOWA COUNTY ENGINEERS ASSOCIATION SERVICE BUREAU
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE SERVICE BUREAU, continued

Statements of Revenues, Expenses and Changes in Net Assets

Operating revenues primarily consist of a suballocation of County Road Use Tax funds, which are processed and remitted to the Service Bureau through the Iowa Department of Transportation. Operating expenses consist of expenses paid to provide news, communications, data distribution and work automation services to member counties in Iowa. Non-operating revenues arise primarily from interest and other miscellaneous income. A summary of revenues, expenses, and changes in net assets for the years ended June 30, 2009 and 2008 is presented below:

	Changes in Net Assets	
	Year ended June 30,	
	2009	2008
Revenue		
Road Use Tax Fund (RUTF) income	\$ 402,917	\$ 378,333
Interest	5,655	11,509
Miscellaneous	13,018	18,640
Total revenue	421,590	408,482
Expenses		
Salaries	266,129	257,158
Payroll taxes	19,429	18,742
Employee benefits	41,599	45,180
Professional services	6,320	4,860
Administrative fees	5,921	6,046
Travel	5,515	8,176
Meeting expenses	1,392	805
Office expenses	32,161	19,603
Depreciation	19,083	17,096
Rent	17,158	16,498
Utilities	1,604	1,604
Miscellaneous	3,597	3,176
Total expenses	419,908	398,944
Increase in net assets	1,682	9,538
Net assets, beginning of year	274,915	265,377
Net assets, end of year	\$ 276,597	\$ 274,915

The Statements of Revenues, Expenses and Changes in Net Assets reflect an increase in net assets at the end of each fiscal year. In fiscal 2009, total revenue increased by \$13,108 or 3.21%. Operating expenses increased by \$20,964 or 5.25%.

IOWA COUNTY ENGINEERS ASSOCIATION SERVICE BUREAU
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE SERVICE BUREAU, continued

Statements of Cash Flows

The Statement of Cash Flows presents information related to cash inflows and outflows, summarized by operating and related financing and investing activities. Cash provided by operating activities includes member dues, service revenues and registration fees, reduced by payments to employees, as well as payments related to meetings and conferences. Cash used by investing activities primarily include purchases of property and equipment as well as certificates of deposit.

CAPITAL ASSETS

At June 30, 2009, the Service Bureau had approximately \$27,000 invested in capital assets, net of accumulated depreciation of approximately \$71,500. Depreciation charges totaled \$19,083 for fiscal 2009. More detailed information about the Service Bureau's capital assets is presented in Note A to the financial statements.

ECONOMIC FACTORS

Iowa County Engineers Association Service Bureau continued to improve its financial position during the current fiscal year. While the Service Bureau generally expects that funding from the Road Use Tax will be both reliable and stable with moderate year-to-year growth, it also recognizes some of the realities that may potentially become challenges, such as:

- Any action by the State Legislature to reduce the percentage share of Road Use Tax Fund (RUTF) revenues would decrease the total funds available to the Bureau.
- Should fuel and/or vehicle sales falter, perhaps due to increased fuel prices, economic recession or other factors, less revenue would be available to all RUTF recipients, including the Service Bureau.
- Costs of personnel and technology may potentially grow at a faster rate than RUTF revenues.

The Service Bureau has opted to recognize these potential challenges by limiting its budgets to using only approximately sixty-five percent of the maximum RUTF available under the percent allocated. This leaves room for budget growth, if necessary, and protects against reductions in RUTF revenues.

The Service Bureau anticipates that fiscal year 2010 will be much like fiscal year 2009 and will maintain a close watch over resources to maintain the Service Bureau's ability to react to unknown issues.

CONTACTING THE SERVICE BUREAU'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers and creditors with a general overview of the Service Bureau's finances and to show the Service Bureau's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Iowa County Engineers Association Service Bureau, 501 SW 7th Street, Suite Q, Des Moines, Iowa.

IOWA COUNTY ENGINEERS ASSOCIATION SERVICE BUREAU
STATEMENTS OF NET ASSETS
JUNE 30, 2009 AND 2008

ASSETS

	2009	2008
CURRENT ASSETS		
Cash and cash equivalents	\$ 63,174	\$ 51,317
Investments	229,032	220,388
Interest receivable	1,330	4,765
Total current assets	293,536	276,470
 PROPERTY AND EQUIPMENT		
Furniture and equipment	5,152	9,931
Computer hardware	42,416	58,578
Office machines	10,344	5,225
Computer software	40,644	44,838
	98,556	118,572
Less accumulated depreciation	(71,541)	(78,285)
Net property and equipment	27,015	40,287
 TOTAL ASSETS	\$ 320,551	\$ 316,757

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 13,858	\$ 19,180
Compensated absences	26,672	18,773
Funds held for others	3,424	3,889
Total current liabilities	43,954	41,842
 Net assets	276,597	274,915
 TOTAL LIABILITIES AND NET ASSETS	\$ 320,551	\$ 316,757

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

IOWA COUNTY ENGINEERS ASSOCIATION SERVICE BUREAU
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
REVENUE		
Road Use Tax Fund (RUTF) income	\$ 402,917	\$ 378,333
Interest	5,655	11,509
Miscellaneous	13,018	18,640
Total revenue	<u>421,590</u>	<u>408,482</u>
EXPENSES		
Salaries	266,129	257,158
Payroll taxes	19,429	18,742
Employee benefits	41,599	45,180
Professional services	6,320	4,860
Administrative fees	5,921	6,046
Travel	5,515	8,176
Meeting expenses	1,392	805
Office expenses	32,161	19,603
Depreciation	19,083	17,096
Rent	17,158	16,498
Utilities	1,604	1,604
Miscellaneous	3,597	3,176
Total expenses	<u>419,908</u>	<u>398,944</u>
INCREASE IN NET ASSETS	1,682	9,538
NET ASSETS, beginning of year	<u>274,915</u>	<u>265,377</u>
NET ASSETS, end of year	<u><u>\$ 276,597</u></u>	<u><u>\$ 274,915</u></u>

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

IOWA COUNTY ENGINEERS ASSOCIATION SERVICE BUREAU
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 1,682	\$ 9,538
Adjustments to reconcile increase in net assets to net cash provided by operations:		
Depreciation	19,083	17,096
Loss on disposal of equipment	1,831	125
Changes in:		
Interest receivable	3,435	141
Accounts payable	(5,322)	4,926
Funds held for others	(465)	(885)
Compensated absences	7,899	4,198
Net cash provided by operating activities	28,143	35,139
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(7,642)	(15,605)
Proceeds from maturities and sales of investments	125,423	164,781
Purchase of investments	(134,067)	(175,577)
Net cash used by investing activities	(16,286)	(26,401)
Net increase in cash and cash equivalents	11,857	8,738
CASH AND CASH EQUIVALENTS, beginning of year	51,317	42,579
CASH AND CASH EQUIVALENTS, end of year	\$ 63,174	\$ 51,317

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

IOWA COUNTY ENGINEERS ASSOCIATION SERVICE BUREAU
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The Iowa County Engineers Association Service Bureau (the Service Bureau) was established under the provisions of Chapter 28E of the Iowa Code to provide communications, data distribution, and work automation services to member counties in Iowa.

Basis of Presentation - The financial statements are reported using the accrual basis of accounting. The Organization follows private-sector generally accepted accounting standards for not-for-profit organizations to the extent those standards do not conflict or contradict guidance of the Governmental Accounting Standards Board (GASB).

Concentration of Credit Risk - The Service Bureau's bank deposits totaled approximately and \$65,500 at June 30, 2009, respectively. These deposits were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. Chapter 12C provides for additional assessments against the depositories to insure there will be no loss of public funds. The Organization also has funds totaling approximately \$45,700 invested in money market accounts not insured by the FDIC at June 30, 2009.

Investments - The Organization's investments are presented at fair value. Quoted market prices are used to value investments. Changes in unrealized gains and losses, if any, are included as a component or investment income on the statement of revenues, expenses and changes in net assets.

Property and Equipment - Property and equipment are stated at cost. Depreciation is provided by the straight-line method over the estimated economic useful lives of the assets, ranging from three to seven years.

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

Fair Value Measurements - The Service Bureau adopted Statement 157 on July 1, 2008 for fair value measurements of investments that are recognized and disclosed at fair value in the financial statements on a recurring basis. Statement 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical investments that the Organization has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the investments, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the investments.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

IOWA COUNTY ENGINEERS ASSOCIATION SERVICE BUREAU
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fair Value Measurements (continued) - For the valuation of money market accounts and certificates of deposit at June 30, 2009, the Organization used significant other observable inputs, particularly market prices for comparable investments as of the valuation date (Level 2).

Income Taxes - The Iowa County Engineers Association Service Bureau is a non-profit organization exempt from income taxes. Accordingly, no provision for income taxes has been provided in the financial statements.

Reclassifications - Certain prior year amounts have been reclassified to conform to the current year presentation.

NOTE B - INVESTMENTS

Investments consist of the following:

	Cost	Unrealized Gains (Losses)	2009 Fair Value	2008 Fair Value
Money markets	\$ 129,032	\$ -	\$ 129,032	\$ 44,965
Certificates of deposit	100,000	-	100,000	175,423
	<u>\$ 229,032</u>	<u>\$ -</u>	<u>\$ 229,032</u>	<u>\$ 220,388</u>

The Organization's certificates of deposit bear interest rates ranging from 1.80% to 3.10% and mature at various times through December 2009.

NOTE C - IOWA DEPARTMENT OF TRANSPORTATION AGREEMENTS

The Service Bureau receives significant funding through a Road Use Tax Fund agreement with the Iowa Department of Transportation. The Service Bureau may also enter into contracts to perform research projects on behalf of the Iowa Department of Transportation.

NOTE D - AGREEMENT WITH THE IOWA STATE ASSOCIATION OF COUNTIES

The Service Bureau has an agreement with the Iowa State Association of Counties (ISAC) whereby ISAC provides the Service Bureau with office space, clerical support, telephone services, use of its office-related equipment, insurance and other employee benefits. The Service Bureau reimburses ISAC for these costs on a periodic basis. Total reimbursements paid to ISAC were \$43,875 and \$51,470 in fiscal years 2009 and 2008.

NOTE E - PENSION AND RETIREMENT BENEFITS

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

IOWA COUNTY ENGINEERS ASSOCIATION SERVICE BUREAU
NOTES TO FINANCIAL STATEMENTS

NOTE E - PENSION AND RETIREMENT BENEFITS - Continued

Plan members are required to contribute 4.10% of their annual salary and the Organization is required to contribute 6.35% of annual covered payroll. Contribution requirements are established by State statute. The Service Bureau's contribution to IPERS for the years ended June 30, 2009 and 2008 was \$16,311 and \$15,228, respectively.

NOTE F - FUNDS HELD FOR OTHERS

The Service Bureau has agreements with ICEA AutoCAD Users Group (ACAD), The Federal Aid Inspection, and The Blackhawk Geographic Information Systems Group, whereby the Service Bureau provides certain administrative duties to these Organizations, including collecting receipts and disbursing funds as directed by these groups.

NOTE G - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing services to establish a rate methodology includes expenses of providing the services (salaries and related costs, as well as consulting fees). Management and general expenses include all executive and financial administration expenses.

Following is a summary of the functional allocation of expenses for the years ended June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Program services	\$ 294,898	\$ 299,208
Fundraising costs	-	-
General and administration	<u>125,010</u>	<u>99,736</u>
	<u>\$ 419,908</u>	<u>\$ 398,944</u>

NOTE H - BOARD DESIGNATED NET ASSETS

The Service Bureau's Board of Directors has designated \$100,000 of its net assets for special projects. As of June 30, 2009, the Board has not yet identified any specific projects for which these funds will be used.

NOTE I - SUBSEQUENT EVENTS

The date to which events occurring after June 30, 2009, the date of the most recent statement of net assets, have been evaluated for possible adjustment to the financial statement or disclosure is September 25, 2009, which is the date on which the financial statements were issued.



Partners

Michael E. Brinker, CPA
David W. Hurst, CPA
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Joni M. Tonnemacher, CPA, CFD

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

To the Board of Directors of
Iowa County Engineers Association Service Bureau

We have audited the accompanying financial statements of Iowa County Engineers Association Service Bureau (Service Bureau) as of and for the year ended June 30, 2009, and have issued our report thereon dated September 25, 2009. 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 Iowa County Engineers Association Service Bureau's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Iowa County Engineers Association Service Bureau's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Iowa County Engineers Association Service Bureau's internal control 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.

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 Iowa County Engineers Association Service Bureau'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 the Iowa County Engineers Association Service Bureau's financial statements that is more than inconsequential will not be prevented or detected by Iowa County Engineers Association Service Bureau's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Iowa County Engineers Association Service Bureau'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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Iowa County Engineers Association Service Bureau'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 required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the Organization'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 Organization. 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.

This report, a public record by law, is intended solely for the information and use of the Board of Directors and Iowa County Engineers Association Service Bureau's management and other parties to whom the Service Bureau may report. This report is not intended to be and should not be used by anyone other than these specified parties.

McGonen, Hurst, Clark & Smith, P.C.

West Des Moines, Iowa
September 25, 2009

IOWA COUNTY ENGINEERS ASSOCIATION SERVICE BUREAU
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2009

Findings Related to the Financial Statements

Instances of non-compliance

No matters were noted.

Significant deficiencies or material weaknesses

No material weaknesses were identified.

Other findings related to required statutory reporting

No matters were noted.