



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE

March 18, 2011

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Auditor of State David A. Vaudt today released an audit report on Clinton County, Iowa.

The County had local tax revenue of \$75,283,132 for the year ended June 30, 2010, which included \$2,300,721 in tax credits from the state. The County forwarded \$59,535,757 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$15,747,375 of the local tax revenue to finance County operations, a 14.7 percent increase over the prior year. Other revenues included charges for service of \$2,249,445, operating grants, contributions and restricted interest of \$9,024,194, capital grants, contributions and restricted interest of \$2,906,133, local option sales tax of \$1,493,260, unrestricted investment earnings of \$220,901 and other general revenues of \$396,839.

Expenses for County operations totaled \$28,962,532, a 1.5 percent increase over the prior year. Expenses included \$7,652,164 for mental health, \$6,453,476 for public safety and legal services and \$5,965,097 for roads and transportation.

A copy of the audit report is available for review in the County Auditor's Office, in the Office of Auditor of State and on the Auditor of State's web site at:

<http://auditor.iowa.gov/reports/1010-0023-B00F.pdf>.

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CLINTON COUNTY
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2010

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Clinton County

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Jill Davisson	Board of Supervisors	Jan 2011
Dennis Starling	Board of Supervisors	Jan 2011
John Staszewski	Board of Supervisors	Jan 2013
Eric Van Lancker	County Auditor	Jan 2013
Rhonda McIntyre	County Treasurer	Jan 2011
Stephen Managan	County Recorder	Jan 2011
Rick Lincoln	County Sheriff	Jan 2013
Michael Wolf	County Attorney	Jan 2011
Roland Ehm	County Assessor	Jan 2016
John Moreland	City Assessor	Jan 2016

Clinton County



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Independent Auditor's Report

To the Officials of Clinton County:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Clinton County, Iowa, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements listed in the table of contents. These financial statements are the responsibility of Clinton 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, the business type activities, each major fund and the aggregate remaining fund information of Clinton County at June 30, 2010, 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 February 23, 2011 on our consideration of Clinton 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, Budgetary Comparison Information and Schedule of Funding Progress for the Retiree Health Plan on pages 7 through 13 and 48 through 52 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 Clinton 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 nine years ended June 30, 2009 (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.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

February 23, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

Clinton 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, 2010. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2010 FINANCIAL HIGHLIGHTS

- Revenues of the County's governmental activities decreased 1.3 %, or approximately \$407,000, from fiscal year 2009 to fiscal year 2010. Property tax increased approximately \$2,033,000, operating grants, contributions and restricted interest decreased approximately \$1,502,000, capital grants, contributions and restricted interest decreased approximately \$857,000 and local option sales tax decreased approximately \$104,000.
- Program expenses of the County's governmental activities increased 1.6%, or approximately \$456,000. Mental health expenses decreased approximately \$852,000 and public safety and legal services expenses increased approximately \$650,000.
- The County's governmental activities net assets increased 6.5%, or approximately \$3,071,000, from June 30, 2009 to June 30, 2010.

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 Clinton 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 Clinton 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 Clinton 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, as well as presenting the Schedule of Funding Progress for the Retiree Health Plan.

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, 3) the Debt Service Fund, 4) the Capital Projects Fund and 5) the Permanent 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 and the Enterprise, Rock Creek Marina 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

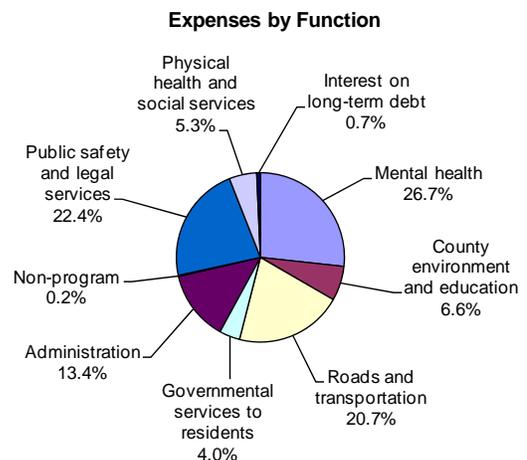
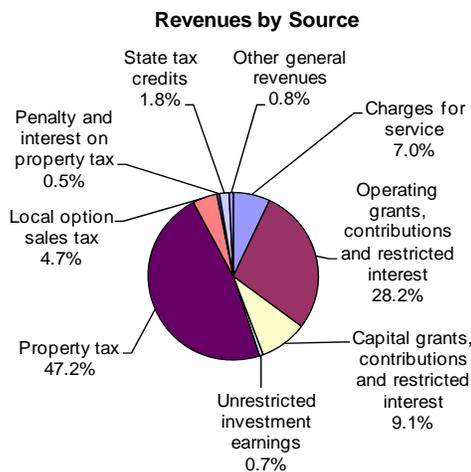
As noted earlier, net assets may serve over time as a useful indicator of financial position. Clinton County's combined net assets increased from a year ago, from approximately \$47.2 million to approximately \$50.3 million. The analysis that follows focuses on the changes in net assets.

Net Assets of Governmental and Business Type Activities						
(Expressed in Thousands)						
	Governmental Activities		Business Type Activities		Total	
	June 30,		June 30,		June 30,	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 40,263	27,556	34	41	40,297	27,597
Capital assets	41,872	37,708	251	255	42,123	37,963
Total assets	82,135	65,264	285	296	82,420	65,560
Long-term liabilities	13,267	1,219	13	11	13,280	1,230
Other liabilities	18,836	17,084	-	18	18,836	17,102
Total liabilities	32,103	18,303	13	29	32,116	18,332
Net assets:						
Invested in capital assets, net of related debt	40,200	37,708	251	255	40,451	37,963
Restricted	4,779	4,140	-	-	4,779	4,140
Unrestricted	5,053	5,113	21	12	5,074	5,125
Total net assets	\$ 50,032	46,961	272	267	50,304	47,228

The largest portion of the County's net assets is invested in capital assets (e.g., land, infrastructure, intangibles, buildings and equipment), less the related debt. 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—decreased from approximately \$5,125,000 at June 30, 2009 to approximately \$5,074,000 at the end of this year, a decrease of 1.0%. The County has adopted a five year plan to replace aging equipment.

Changes in Net Assets of Governmental and Business Type Activities
(Expressed in Thousands)

	Governmental Activities		Business Type Activities		Total	
	Year ended June 30,		Year ended June 30,		Year ended June 30,	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for service	\$ 2,095	\$ 2,044	155	168	2,250	2,212
Operating grants, contributions and restricted interest	9,024	10,526	-	-	9,024	10,526
Capital grants, contributions and restricted interest	2,906	3,763	-	23	2,906	3,786
General revenues:						
Property tax	15,155	13,122	-	-	15,155	13,122
Penalty and interest on property tax	153	170	-	-	153	170
State tax credits	592	613	-	-	592	613
Local option sales tax	1,493	1,597	-	-	1,493	1,597
Unrestricted investment earnings	221	232	-	-	221	232
Other general revenues	244	222	-	-	244	222
Total revenues	31,883	32,289	155	191	32,038	32,480
Program expenses:						
Public safety and legal services	6,454	5,803	-	-	6,454	5,803
Physical health and social services	1,536	1,471	-	-	1,536	1,471
Mental health	7,652	8,504	-	-	7,652	8,504
County environment and education	1,905	1,830	-	-	1,905	1,830
Roads and transportation	5,965	5,878	-	-	5,965	5,878
Governmental services to residents	1,144	1,227	-	-	1,144	1,227
Administration	3,869	3,554	-	-	3,869	3,554
Non-program	60	70	-	-	60	70
Interest on long-term debt	209	-	-	-	209	-
Rock Creek Marina	-	-	168	198	168	198
Total expenses	28,794	28,337	168	198	28,962	28,535
Increase (decrease) in net assets before transfers	3,089	3,952	(13)	(7)	3,076	3,945
Transfers	(18)	(131)	18	131	-	-
Increase in net assets	3,071	3,821	5	124	3,076	3,945
Net assets beginning of year	46,961	43,140	267	143	47,228	43,283
Net assets end of year	\$ 50,032	\$ 46,961	272	267	50,304	47,228



Clinton County's net assets of governmental activities increased approximately \$3,071,000 during the year. Revenues for governmental activities decreased approximately \$407,000 from the prior year, operating grants, contributions and restricted interest decreased approximately \$1,502,000, or 14.3%, and capital grants, contributions and restricted interest revenue decreased approximately \$857,000, or 22.8 %, from the prior year.

INDIVIDUAL MAJOR FUND ANALYSIS

As Clinton County completed the year, its governmental funds reported a combined fund balance increase of approximately \$10,769,000 over last year's total of approximately \$7.7 million. The increase in fund balance is primarily attributable to the issuance of general obligation bonds. The following are the major reasons for the changes in fund balances of the major funds over the prior year:

- General Fund revenues exceeded expenditures by approximately \$558,000. The ending fund balance increased approximately \$488,000 over the prior year to approximately \$5,418,000. General Fund revenues increased primarily due to increases in property and other county tax.
- Mental Health Fund expenditures totaled approximately \$7,640,000, a decrease of 10.1% from the prior year. The decrease is primarily due to the increased federal Medicaid match applied by the State to the invoices received by the County which reduced the amount due from the County. The Mental Health Fund balance at year end increased approximately \$128,000 over the prior year to \$583,695 at June 30, 2010.
- Rural Services Fund expenditures totaled approximately \$610,000, a decrease of 2.4% from the prior year.
- Secondary Roads Fund expenditures increased approximately \$2,267,000 over the prior year, mainly due to an increase in various paving projects. The Secondary Roads Fund balance at year end decreased approximately \$77,000 from the prior year end balance.
- A Capital Projects Fund was established in fiscal year 2010. Bond proceeds were deposited in the fund and the balance at the end of the year was approximately \$10,062,000.

BUDGETARY HIGHLIGHTS

Over the course of the year, Clinton County amended its budget two times. The first amendment was made in March 2010 and resulted in an increase in budgeted disbursements for administration building maintenance, communications and information technology. The second amendment was made in May 2010 and resulted in an increase in budgeted disbursements for mental health, secondary roads debt service and capital projects. The amendments were due primarily to the issuance of general obligation bonds and the subsequent related projects and receipt of a U.S. Department of Energy grant for the administration building.

In the Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances – Budget and Actual (Cash Basis) - All Governmental Funds, the actual net disbursements of \$29,710,404 were \$4,558,504 less than the amended budget. The mental health, capital projects, public safety and legal services, administration, non-program, roads and transportation, governmental services to residents, physical health and social services, county environment and education and debt service function disbursements were \$1,300,573, \$943,611, \$642,541, \$572,501, \$453,676, \$196,402, \$191,727, \$189,724, \$62,269 and \$5,480, respectively, less than budgeted. The County's receipts were \$348,951 less than the amended budget. Intergovernmental receipts were \$525,857 less than anticipated.

Mental health function disbursements were less than budgeted, primarily due to cost for Chronic Mental Illness (CMI) and Mental Retardation (MR) clients being less than anticipated as a result of the increased Medicaid match noted above. Capital projects function disbursements were less than budgeted, primarily due to the road project not completed as estimated. Public safety and legal services function disbursements were less than budgeted, primarily due to a reduction in the anticipated costs to house prisoners out of county and an unfilled deputy position. Administration function disbursements were less than budgeted, primarily due to a delay in the fixed plant energy project. Non-program function disbursements were less than budgeted, primarily due to an anticipated pass-thru grant that was not received. Roads and transportation function disbursements were less than budgeted, primarily due to the timing of road construction projects. Governmental services to residents function disbursements were less than budgeted, primarily due to lower costs for the election and auto license budget. Physical health and social services function disbursements were less than budgeted, primarily due to less than anticipated juvenile residential care costs and lower costs for the Iowa Department of Human Services. County environment and education and debt service function disbursements were only slightly less than budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2010, Clinton County had approximately \$41.9 million invested in a broad range of governmental activities capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This is a net increase (including additions and deletions) of approximately \$4,164,000, or 11%, over last year.

Capital Assets of Governmental Activities at Year End		
(Expressed in Thousands)		
	June 30,	
	2010	2009
Land	\$ 921	921
Construction in progress	5,842	5,508
Buildings and improvements	5,540	5,703
Equipment and vehicles	4,161	4,516
Infrastructure	25,408	21,060
Total	<u>\$ 41,872</u>	<u>37,708</u>

The County had depreciation expense of \$1,945,288 for governmental activities in fiscal year 2010 and total accumulated depreciation of \$24,780,318 at June 30, 2010.

The County's fiscal year 2010 budget included \$3,852,314 for capital projects, principally for secondary roads improvements. More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

At June 30, 2010, Clinton County had \$11,936,526 of general obligation bonds and other debt outstanding, compared to approximately \$180,000 at June 30, 2009, as shown below.

	Outstanding Debt of Governmental Activities at Year-End	
	June 30,	
	2010	2009
General obligation bonds	\$ 11,725,000	\$ -
Drainage warrants	211,526	179,766
Total	<u>\$ 11,936,526</u>	<u>\$ 179,766</u>

Debt increased as the result of two debt issuances for secondary roads improvements and one debt issuance in conjunction with the City of Clinton for the Lincolnway Railport Industrial Park. Additional information about the County's long-term liabilities is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Clinton County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2011 budget, tax rates and the fees charged for various County activities. One of those factors is the economy. Unemployment in the County now stands at 7.3% versus 7.4% a year ago. This compares with the State's unemployment rate of 6.7% and the national rate of 9.5%.

These indicators were taken into account when adopting the budget for fiscal year 2011. Amounts available for appropriation in the operating budget are \$30,483,000, a 4.5% increase over the final fiscal year 2010 budget. Clinton County will use the increase in receipts to finance programs we currently offer and offset the effect we expect inflation to have on program costs. Budgeted disbursements are expected to increase approximately \$12,062,000 due to various capital projects.

If these estimates are realized, the County's budgetary operating balance is expected to decrease by the close of fiscal year 2011.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Clinton 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 Clinton County Budget Director, Mrs. Jeaninne Clark, Clinton County Administration Building, Clinton County Auditor's Office, 1900 No. Third Street, Clinton Iowa 52733-2957.

Clinton County

Basic Financial Statements

Clinton County

Clinton County
Statement of Net Assets
June 30, 2010

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	Conservation Foundation
Assets				
Cash and pooled investments	\$ 22,669,837	25,141	22,694,978	1,012,981
Receivables:				
Property tax:				
Delinquent	62,579	-	62,579	-
Succeeding year	16,072,000	-	16,072,000	-
Penalty and interest on property tax	185,040	-	185,040	-
Accounts	47,503	8,249	55,752	-
Accrued interest	988	-	988	-
Drainage assessments:				
Delinquent	101,435	-	101,435	-
Succeeding year	6,473	-	6,473	-
Due from other governments	801,055	-	801,055	-
Inventories	315,656	-	315,656	-
Capital assets (net of accumulated depreciation)	41,872,512	251,089	42,123,601	-
Total assets	82,135,078	284,479	82,419,557	1,012,981
Liabilities				
Accounts payable	1,186,536	10,774	1,197,310	-
Accrued interest payable	74,130	-	74,130	-
Salaries and benefits payable	476,797	1,955	478,752	-
Due to other governments	854,513	-	854,513	-
Deferred revenue:				
Succeeding year property tax	16,072,000	-	16,072,000	-
Other	171,690	-	171,690	-
Long-term liabilities:				
Portion due or payable within one year:				
General obligation bonds	1,030,000	-	1,030,000	-
Drainage warrants	116,791	-	116,791	-
Compensated absences	627,038	-	627,038	-
Portion due or payable after one year:				
General obligation bonds	10,695,000	-	10,695,000	-
Drainage warrants	94,735	-	94,735	-
Compensated absences	384,314	-	384,314	-
Net OPEB liability	319,465	-	319,465	-
Total liabilities	32,103,009	12,729	32,115,738	-
Net Assets				
Invested in capital assets, net of related debt	40,199,809	251,089	40,450,898	-
Restricted for:				
Nonexpendable:				
Permanent fund	6,946	-	6,946	-
Expendable:				
Supplemental levy purposes	1,999,235	-	1,999,235	-
Mental health purposes	849,758	-	849,758	-
Secondary roads purposes	1,527,503	-	1,527,503	-
Debt service	20,988	-	20,988	-
Drainage districts	43,392	-	43,392	-
Vietnam Veterans Memorial	5,000	-	5,000	-
Capital projects	9,905	-	9,905	-
Other	316,447	-	316,447	1,012,981
Unrestricted	5,053,086	20,661	5,073,747	-
Total net assets	\$ 50,032,069	271,750	50,303,819	1,012,981

See notes to financial statements.

Clinton County
Statement of Activities
Year ended June 30, 2010

	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	\$ 6,453,476	379,977	73,723	-
Physical health and social services	1,535,892	73,908	444,039	-
Mental health	7,652,164	50,558	4,859,908	-
County environment and education	1,905,335	104,743	73,732	4,472
Roads and transportation	5,965,097	46,549	3,419,436	2,901,661
Governmental services to residents	1,143,670	782,445	-	-
Administration	3,869,438	656,277	92,366	-
Non-program	59,960	-	60,990	-
Interest on long-term debt	209,184	-	-	-
Total governmental activities	28,794,216	2,094,457	9,024,194	2,906,133
Business type activities:				
Rock Creek Marina	168,316	154,988	-	-
Total primary government	\$ 28,962,532	2,249,445	9,024,194	2,906,133
Component Unit:				
Conservation Foundation	\$ 152,224	-	610,309	-
General Revenues and Transfers:				
Property and other county tax levied for:				
General purposes				
Debt service				
Penalty and interest on property tax				
State tax credits				
Local option sales tax				
Unrestricted investment earnings				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets beginning of year				
Net assets end of year				

See notes to financial statements.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business Type Activities	Total	Conservation Foundation
(5,999,776)	-	(5,999,776)	-
(1,017,945)	-	(1,017,945)	-
(2,741,698)	-	(2,741,698)	-
(1,722,388)	-	(1,722,388)	-
402,549	-	402,549	-
(361,225)	-	(361,225)	-
(3,120,795)	-	(3,120,795)	-
1,030	-	1,030	-
(209,184)	-	(209,184)	-
(14,769,432)	-	(14,769,432)	-
-	(13,328)	(13,328)	-
(14,769,432)	(13,328)	(14,782,760)	-
-	-	-	458,085
14,361,480	-	14,361,480	-
793,490	-	793,490	-
153,228	-	153,228	-
592,405	-	592,405	-
1,493,260	-	1,493,260	-
220,901	-	220,901	8,120
243,611	-	243,611	-
(18,058)	18,058	-	-
17,840,317	18,058	17,858,375	8,120
3,070,885	4,730	3,075,615	466,205
46,961,184	267,020	47,228,204	546,776
\$ 50,032,069	271,750	50,303,819	1,012,981

Clinton County
Balance Sheet
Governmental Funds

June 30, 2010

	General	Special Revenue		
		Mental Health	Rural Services	Secondary Roads
Assets				
Cash and pooled investments	\$ 5,896,986	1,571,479	764,610	855,398
Receivables:				
Property tax:				
Delinquent	43,985	11,911	3,419	-
Succeeding year	10,663,000	2,769,000	1,314,000	-
Penalty and interest on property tax	185,040	-	-	-
Accounts	13,443	2,908	-	1,180
Accrued interest	920	-	-	-
Drainage assessments:				
Delinquent	-	-	-	-
Succeeding year	-	-	-	-
Due from other funds	-	-	-	11,681
Due from other governments	270,339	172,243	-	345,434
Inventories	-	-	-	315,656
Total assets	\$ 17,073,713	4,527,541	2,082,029	1,529,349
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 289,034	266,511	15,846	287,994
Salaries and benefits payable	285,570	61,458	14,320	115,449
Due to other funds	1,814	-	9,867	-
Due to other governments	18,837	835,341	-	335
Deferred revenue:				
Succeeding year property tax	10,663,000	2,769,000	1,314,000	-
Other	397,905	11,536	3,242	-
Total liabilities	11,656,160	3,943,846	1,357,275	403,778
Fund balances:				
Reserved for:				
Debt service	-	-	-	-
Supplemental levy purposes	1,265,896	-	-	-
Vietnam Veterans Memorial	-	-	-	-
Drainage warrants	-	-	-	-
Unreserved, reported in:				
General fund	4,151,657	-	-	-
Special revenue funds	-	583,695	724,754	1,125,571
Capital projects fund	-	-	-	-
Permanent fund	-	-	-	-
Total fund balances	5,417,553	583,695	724,754	1,125,571
Total liabilities and fund balances	\$ 17,073,713	4,527,541	2,082,029	1,529,349

See notes to financial statements.

Capital Projects	Nonmajor	Total
10,062,202	596,590	19,747,265
-	3,264	62,579
-	1,326,000	16,072,000
-	-	185,040
-	1,350	18,881
-	68	988
-	101,435	101,435
-	6,473	6,473
-	-	11,681
-	13,039	801,055
-	-	315,656
<u>10,062,202</u>	<u>2,048,219</u>	<u>37,323,053</u>
-	43,790	903,175
-	-	476,797
-	-	11,681
-	-	854,513
-	1,326,000	16,072,000
-	111,010	523,693
-	1,480,800	18,841,859
-	92,016	92,016
-	-	1,265,896
-	5,000	5,000
-	147,010	147,010
-	-	4,151,657
-	316,447	2,750,467
10,062,202	-	10,062,202
-	6,946	6,946
<u>10,062,202</u>	<u>567,419</u>	<u>18,481,194</u>
<u>10,062,202</u>	<u>2,048,219</u>	<u>37,323,053</u>

Clinton County

Clinton County

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

June 30, 2010

Total governmental fund balances (page 21)	\$ 18,481,194
 <i>Amounts reported for governmental activities in the Statement of Net Assets are different because:</i>	
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 \$66,652,830 and the accumulated depreciation is \$24,780,318.	41,872,512
Other long-term assets are not available to pay current year expenditures and, therefore, are deferred in the governmental funds.	352,003
The Internal Service Fund is used by management to charge the costs of partial self funding of the County's health insurance benefit plan to individual funds. A portion of the assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Assets.	2,667,833
Long-term liabilities, including bonds payable, drainage warrants payable, compensated absences payable, other postemployment benefits payable and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds.	<u>(13,341,473)</u>
Net assets of governmental activities (page 17)	<u><u>\$ 50,032,069</u></u>

See notes to financial statements.

Clinton County

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

Year ended June 30, 2010

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Revenues:				
Property and other county tax	\$ 10,365,279	2,751,331	1,241,349	-
Local option sales tax	552,506	-	-	940,754
Penalty and interest on property tax	152,824	-	-	-
Intergovernmental	1,269,473	4,966,172	64,095	3,550,612
Licenses and permits	70,033	-	-	37,190
Charges for service	924,524	50,557	-	654
Use of money and property	292,541	-	-	949
Miscellaneous	133,027	30	-	30,764
Total revenues	13,760,207	7,768,090	1,305,444	4,560,923
Expenditures:				
Operating:				
Public safety and legal services	6,211,812	-	151,210	-
Physical health and social services	1,550,419	-	-	-
Mental health	-	7,640,292	-	-
County environment and education	1,216,519	-	459,080	-
Roads and transportation	-	-	-	4,668,020
Governmental services to residents	1,079,987	-	-	-
Administration	3,143,634	-	-	-
Non-program	-	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	2,923,998
Total expenditures	13,202,371	7,640,292	610,290	7,592,018
Excess (deficiency) of revenues over (under) expenditures	557,836	127,798	695,154	(3,031,095)
Other financing sources (uses):				
Operating transfers in	6,000	-	-	1,115,554
Operating transfers out	(76,016)	-	(617,720)	-
General obligation bonds issued	-	-	-	1,839,000
Discount on bonds issued	-	-	-	-
Drainage warrants issued	-	-	-	-
Total other financing sources (uses)	(70,016)	-	(617,720)	2,954,554
Net change in fund balances	487,820	127,798	77,434	(76,541)
Fund balances beginning of year	4,929,733	455,897	647,320	1,202,112
Fund balances end of year	\$ 5,417,553	583,695	724,754	1,125,571

See notes to financial statements.

Capital Projects	Nonmajor	Total
-	793,490	15,151,449
-	-	1,493,260
-	-	152,824
-	134,142	9,984,494
-	-	107,223
-	30,055	1,005,790
9,905	9,202	312,597
-	167,498	331,319
9,905	1,134,387	28,538,956
-	15,595	6,378,617
-	-	1,550,419
-	-	7,640,292
-	214,132	1,889,731
-	-	4,668,020
-	56,527	1,136,514
-	-	3,143,634
-	59,960	59,960
-	1,047,003	1,047,003
-	95	2,924,093
-	1,393,312	30,438,283
9,905	(258,925)	(1,899,327)
-	25,000	1,146,554
(446,818)	(6,000)	(1,146,554)
10,499,115	146,885	12,485,000
-	(418)	(418)
-	183,709	183,709
10,052,297	349,176	12,668,291
10,062,202	90,251	10,768,964
-	477,168	7,712,230
10,062,202	567,419	18,481,194

Clinton County

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

Year ended June 30, 2010

Net change in fund balances - Total governmental funds (page 25) \$ 10,768,964

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. Capital outlay expenditures and contributed capital assets exceeded depreciation expense in the current year, as follows:

Expenditures for capital assets	\$ 3,339,220	
Capital assets contributed by the State and others	2,770,486	
Depreciation expense	(1,945,288)	4,164,418

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	3,521	
Other	(77,325)	(73,804)

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. 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. Current year issues exceeded repayments, as follows:

Issued	(12,668,709)	
Repaid	911,949	(11,756,760)

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

Compensated absences	(115,838)	
Other postemployment benefits	(176,149)	
Interest on long-term debt	(74,130)	(366,117)

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. A portion of the change in net assets of the Internal Service Fund is reported with governmental activities.

334,184

Change in net assets of governmental activities (page 19) \$ 3,070,885

See notes to financial statements.

Clinton County
Statement of Net Assets
Proprietary Funds

June 30, 2010

	Business Type Activities	Governmental Activities
	Enterprise - Rock Creek Marina	Internal Service - Employee Group Health
Assets		
Cash and cash equivalents	\$ 8,237	2,939,476
Accounts receivable	8,083	28,788
Capital assets, net of accumulated depreciation	251,089	-
Total assets	<u>267,409</u>	<u>2,968,264</u>
Liabilities		
Accounts payable	9,135	285,000
Salaries and benefits payable	1,955	-
Total liabilities	<u>11,090</u>	<u>285,000</u>
Net Assets		
Invested in capital assets	251,089	-
Unrestricted	5,230	2,683,264
Total net assets	<u>256,319</u>	<u>2,683,264</u>
Adjustment to reflect the consolidation of Internal Service Fund activities related to the Enterprise Fund	15,431	
Net assets of business type activities	<u>\$ 271,750</u>	

See notes to financial statements.

Clinton County
Statement of Revenues, Expenses and
Changes in Fund Net Assets
Proprietary Funds

Year ended June 30, 2010

	Business Type Activities	Governmental Activities
	Enterprise - Rock Creek Marina	Internal Service - Employee Group Health
Operating revenues:		
Reimbursements from operating funds	\$ -	2,696,507
Reimbursements from employees and others	-	260,164
Stop loss insurance recoveries	-	127,622
Camping fees	66,290	-
Boat rental fees	4,407	-
Other recreational fees	29,809	-
Licenses and permits	352	-
Concession sales	29,563	-
Miscellaneous	1,211	-
Sale of commodities	8,157	-
Total operating revenues	139,789	3,084,293
Operating expenses:		
Administrative fees	-	401,355
Medical and health services	-	2,309,133
Salaries	61,030	-
Employee benefits	23,375	-
Supplies	21,570	-
Utilities	12,420	-
Repair and improvements	14,474	-
Depreciation	22,319	-
Miscellaneous	657	67,180
Total operating expenses	155,845	2,777,668
Operating income (loss)	(16,056)	306,625
Non-operating revenues:		
Interest income	-	30,287
Income (loss) before capital contributions	(16,056)	336,912
Capital contributions	18,058	-
Increase in net assets	2,002	336,912
Net assets beginning of year	254,317	2,346,352
Net assets end of year	256,319	2,683,264
Adjustment to reflect the consolidation of Internal Service Fund activities related to the Enterprise Fund	15,431	
Net assets of business type activities	\$ 271,750	

See notes to financial statements.

Clinton County
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2010

	Business Type Activities	Governmental Activities
	Enterprise - Rock Creek Marina	Internal Service - Employee Group Health
Cash flows from operating activities:		
Cash received from operating funds	\$ -	2,696,507
Cash received from employees and others	-	260,164
Cash received from stop loss insurance recoveries	-	177,908
Cash received from camping fees	68,423	-
Cash received from boat rental fees	4,878	-
Cash received from other recreational fees	30,191	-
Cash received from concession sales	30,700	-
Cash received from miscellaneous operations	1,413	-
Cash received from sale of commodities	8,157	-
Cash paid for administrative fees	-	(67,816)
Cash paid to employees for services	(97,593)	-
Cash paid to suppliers for services	(52,285)	(2,699,852)
Net cash provided by (used for) operating activities	(6,116)	366,911
Cash flows from investing activities:		
Interest on investments	-	30,287
Net increase (decrease) in cash and cash equivalents	(6,116)	397,198
Cash and cash equivalents beginning of year	14,353	2,542,278
Cash and cash equivalents end of year	\$ 8,237	2,939,476
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (16,056)	306,625
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	22,319	-
Changes in assets and liabilities:		
Decrease in accounts receivable	3,973	50,286
Increase (decrease) in accounts payable	(2,961)	10,000
(Decrease) in salaries and benefits payable	(2,514)	-
(Decrease) in due to other governments	(203)	-
(Decrease) in compensated absences	(10,674)	-
Total adjustments	9,940	60,286
Net cash provided by (used for) operating activities	\$ (6,116)	366,911

Non-cash investing, capital and related financing activities:

During the year ended June 30, 2010, \$18,058 of other County funds were contributed for the purchase of equipment.

See notes to financial statements.

Clinton County
Statement of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2010

Assets

Cash and pooled investments:	
County Treasurer	\$ 3,464,527
Other County officials	163,515
Receivables:	
Property tax:	
Delinquent	215,641
Succeeding year	53,031,000
Accounts	7,781
Drainage assessments	15,356
Special assessments	1,352,850
Due from other governments	8,332
Total assets	<u>58,259,002</u>

Liabilities

Accounts payable	291,646
Salaries and benefits payable	58,248
Due to other governments	57,747,942
Trusts payable	131,677
Compensated absences	25,405
Stamped drainage warrants payable	4,084
Total liabilities	<u>58,259,002</u>

Net assets	<u><u>\$ -</u></u>
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See notes to financial statements.

Clinton County

Notes to Financial Statements

June 30, 2010

(1) Summary of Significant Accounting Policies

Clinton 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, Clinton 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 Clinton 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.

Discretely Presented Component Unit

The Clinton County Conservation Foundation, established under the Nonprofit Corporation Act, Chapter 504A of the 1991 Code of Iowa is legally separate from the County but has the potential to provide specific benefits to the County Conservation Board. The Foundation is governed by a five-member board. In accordance with criteria set by the Governmental Accounting Standards Board, the Foundation meets the definition of a component unit which should be discretely presented.

Blended Component Units – Certain drainage districts have been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although these districts are legally separate from the County, they are controlled, managed and supervised by the Clinton County Board of Supervisors. The drainage districts are reported as a Special Revenue Fund. The County has other drainage districts which are managed and supervised by elected trustees. The financial transactions of these districts are reported as Agency Funds. Financial information of the individual drainage districts can be obtained from the Clinton County Auditor's Office.

Jointly Governed Organizations – The County also participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: County Assessor's Conference Board, County Emergency Management Commission, County Public Safety Commission and the County Joint E911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Agency Funds of the County.

The County also participates in the following jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa: County Case Management Services, Clinton County Communications Commission and the Clinton County Area Solid Waste Agency.

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 four components/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.

Nonexpendable restricted net assets are subject to externally imposed stipulations which require them to be maintained permanently by the County, including the County's Permanent Fund.

Expendable 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 preceding categories. Unrestricted net assets often have constraints on resources imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental funds, 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 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.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities.

Additionally, the County reports the following proprietary funds:

An Enterprise Fund is utilized to account for the acquisition, operation and maintenance of governmental facilities and services that are supported by user charges.

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.

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 and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt 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.

Proprietary funds of the County apply 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.

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 revenue of the County's Internal Service Fund is charges to customers for sales and services. Operating expenses for the Internal Service Fund 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 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.

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, 2008 assessed property valuations; is for the tax accrual period July 1, 2009 through June 30, 2010 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2009.

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.

Drainage Assessments Receivable – Drainage assessments receivable represent amounts assessed to individuals for work done on drainage districts which benefit their property. These assessments are payable by individuals in not less than 10 nor more than 20 annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Delinquent drainage assessments receivable represent assessments which are due and payable but have not been collected. Succeeding year drainage assessments receivable represents remaining assessments which are payable but not yet due.

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, 2010, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

Capital Assets – Capital assets, which include property, equipment and vehicles, intangibles 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
Intangibles	\$ 150,000
Infrastructure	50,000
Land, buildings and improvements	25,000
Equipment and vehicles	5,000

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

Asset Class	Estimated Useful lives (In Years)
Buildings	10 - 50
Building improvements	20 - 50
Infrastructure	30 - 50
Intangibles	5 - 20
Equipment	2 - 30
Vehicles	3 - 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 year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. 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 year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. 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 compensatory and vacation hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2010. The compensated absences liability attributable to the governmental activities will be paid primarily by the General, Mental Health, Rural Services and Secondary Roads Funds.

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.

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 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.

Unrestricted Net Assets – The unrestricted net assets of the Internal Service, Employee Group Health Fund are designated for 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, 2010, disbursements in one department exceeded the amount appropriated.

(2) Cash and Pooled Investments

The County's deposits in banks at June 30, 2010 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

The County had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 3, as amended by Statement No. 40.

(3) Due From and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2010 is as follows:

Receivable Fund	Payable Fund	Amount
Special Revenue:		
Secondary Roads	General	\$ 1,814
	Special Revenue:	
	Rural Services	9,867
Total		\$ 11,681

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, 2010 is as follows:

Transfer to	Transfer from	Amount
General	Special Revenue:	
	County Recorder's Records	
	Mangement	\$ 6,000
Special Revenue:		
Secondary Roads	General	51,016
	Special Revenue:	
	Rural Services	617,720
	Capital Projects	446,818
Conservation Land Acquisition	General	15,000
Pioneer Cemetary	General	10,000
Total		\$ 1,146,554

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

(5) Capital Assets

Capital assets activity for the year ended June 30, 2010 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 921,133	-	-	921,133
Construction in progress	5,508,374	5,860,261	(5,526,919)	5,841,716
Total capital assets not being depreciated	6,429,507	5,860,261	(5,526,919)	6,762,849
Capital assets being depreciated:				
Buildings and improvements	9,138,276	9,571	-	9,147,847
Equipment and vehicles	8,694,450	239,874	(18,624)	8,915,700
Infrastructure, road network	36,299,515	5,526,919	-	41,826,434
Total capital assets being depreciated	54,132,241	5,776,364	(18,624)	59,889,981
Less accumulated depreciation for:				
Buildings and improvements	3,435,531	172,226	-	3,607,757
Equipment and vehicles	4,178,688	594,197	(18,624)	4,754,261
Infrastructure, road network	15,239,435	1,178,865	-	16,418,300
Total accumulated depreciation	22,853,654	1,945,288	(18,624)	24,780,318
Total capital assets being depreciated, net	31,278,587	3,831,076	-	35,109,663
Governmental activities capital assets, net	\$ 37,708,094	9,691,337	(5,526,919)	41,872,512

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 119,558
Physical health and social services	7,865
Mental health	25,477
County environment and education	59,701
Roads and transportation	1,506,944
Governmental services to residents	54,605
Administration	171,138
Total depreciation expense - governmental activities	\$ 1,945,288

Business type activities capital assets activity for the year ended June 30, 2010 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business type activities:				
Capital assets being depreciated:				
Buildings	\$ 283,284	-	-	283,284
Equipment	128,423	18,058	-	146,481
Infrastructure	59,211	-	-	59,211
Total capital assets being depreciated	470,918	18,058	-	488,976
Less accumulated depreciation for:				
Buildings	82,598	11,598	-	94,196
Equipment	85,856	6,133	-	91,989
Infrastructure	47,114	4,588	-	51,702
Total accumulated depreciation	215,568	22,319	-	237,887
Business type activities capital assets, net	\$ 255,350	(4,261)	-	251,089
Total depreciation expense - business type activities				\$ 22,319

(6) Due to Other Governments

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

Fund	Description	Amount
General	Services	\$ 18,837
Special Revenue:		
Mental Health	Services	835,341
Secondary Roads	Services	335
Total for governmental funds		<u>\$ 854,513</u>
Agency:		
County Assessor	Collections	\$ 780,722
City Assessor		791,238
Schools		28,974,348
Community Colleges		1,702,558
Corporations		21,128,436
Townships		368,006
All other		4,002,634
Total for agency funds		<u>\$ 57,747,942</u>

(7) Long-Term Liabilities

A summary of changes in governmental activities long-term liabilities for the year ended June 30, 2010 is as follows:

	General Obligation Bonds	Drainage Warrants	Compen- sated Absences	Net OPEB Liability	Total
Balance beginning of year	\$ -	179,766	895,514	143,316	1,218,596
Increases	12,485,000	183,709	697,769	176,149	13,542,627
Decreases	760,000	151,949	581,931	-	1,493,880
Balance end of year	<u>\$ 11,725,000</u>	<u>211,526</u>	<u>1,011,352</u>	<u>319,465</u>	<u>13,267,343</u>
Due within one year	<u>\$ 1,030,000</u>	<u>116,791</u>	<u>627,038</u>	<u>-</u>	<u>1,773,829</u>

A summary of changes in business type activities long-term liabilities for the year ended June 30, 2010 is as follows:

	Compen- sated Absences
Balance beginning of year	\$ 10,674
Increases	2,794
Decreases	13,468
Balance end of year	<u>\$ -</u>
Due within one year	<u>\$ -</u>

Bonds Payable

A summary of the County's June 30, 2010 general obligation bonded indebtedness is as follows:

Year Ending June 30,	Series 2009 A			
	Issued July 15, 2009			
	Interest Rates	Principal	Interest	Total
2011	1.50%	\$ 115,000	32,330	147,330
2012	1.90	115,000	30,605	145,605
2013	2.30	120,000	28,420	148,420
2014	2.65	120,000	25,660	145,660
2015	3.00	125,000	22,480	147,480
2016-2020	3.20-3.80	530,000	48,960	578,960
Total		1,125,000	188,455	1,313,455

Year Ending June 30,	Series 2010A			
	Issued April 1, 2010			
	Interest Rates	Principal	Interest	Total
2011	2.50%	\$ 380,000	147,764	527,764
2012	2.50	405,000	117,155	522,155
2013	2.50	410,000	107,030	517,030
2014	2.50	420,000	96,780	516,780
2015	2.50	425,000	86,280	511,280
2016-2020	2.60-3.45	2,475,000	250,780	2,725,780
Total		4,515,000	805,789	5,320,789

Year Ending June 30,	Series 2010B					Total		
	Issued April 1, 2010							
	Interest Rates	Principal	Interest	Total	Principal	Interest	Total	
2011	2.00%	\$ 535,000	185,602	720,602	1,030,000	365,696	1,395,696	
2012	2.00	565,000	148,388	713,388	1,085,000	296,148	1,381,148	
2013	2.00	575,000	137,087	712,087	1,105,000	272,537	1,377,537	
2014	2.25	585,000	125,588	710,588	1,125,000	248,028	1,373,028	
2015	2.75	595,000	113,887	708,887	1,145,000	222,647	1,367,647	
2016-2020	3.00-3.50	3,230,000	319,388	3,549,388	6,235,000	619,128	6,854,128	
Total		6,085,000	1,029,940	7,114,940	11,725,000	2,024,184	13,749,184	

During the year ended June 30, 2010, the County issued \$12,485,000 and retired \$760,000 of general obligation bonds.

Pursuant to a joint 28E agreement between Clinton County and the City of Clinton, Iowa, the County plans to participate in the City-managed Lincolnway Railport Project by contributing \$6,000,000 of the series 2010B general obligation bond proceeds to the City of Clinton to be used solely for the purpose designated in the Clinton County Lincolnway Railport urban renewal area. The City is to repay the County from a portion of the sale of property in the Industrial Park. If the County has not been reimbursed by December 2020, the City will reimburse the County for any unpaid balance due on the monies advanced by the County for the project. As of June 30, 2010, no bond proceeds had been advanced to the City.

Drainage Warrants

Drainage warrants are warrants which are legally drawn on drainage district funds but are not paid for lack of funds, in accordance with Chapter 74 of the Code of Iowa. The warrants bear interest at rates in effect at the time the warrants are first presented. Warrants will be paid as funds are available.

Drainage warrants are paid from the Special Revenue, Drainage Districts Fund solely from drainage assessments against benefited properties.

(8) Pension and Retirement Benefits

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

Most regular plan members are required to contribute 4.30% of their annual covered salary and the County is required to contribute 6.65% of annual covered salary. Certain employees in special risk occupations and the County contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2010, 2009 and 2008 were \$635,654, \$575,180 and 508,534, respectively, equal to the required contributions for each year.

(9) Other Postemployment Benefits (OPEB)

Plan Description. The County operates a single-employer retiree benefit plan which provides medical/prescription drug benefits for retirees and their spouses. There are 191 active and 1 retired member in the plan. Retired participants must be age 55 or older at retirement.

The medical/prescription drug benefits, which is a partially self-funded medical plan, is administered by American Administrators. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Funding Policy. The contribution requirements of plan members are established and may be amended by the County. The County currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation. The County's annual OPEB cost is calculated based on the annual required contribution (ARC) of the County, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the County's annual OPEB cost for the year ended June 30, 2010, the amount actually contributed to the plan and changes in the County's net OPEB obligation:

Annual required contribution	\$ 175,368
Interest on net OPEB obligation	4,933
Adjustment to annual required contribution	<u>(2,272)</u>
Annual OPEB cost	178,029
Contributions made	<u>(1,880)</u>
Increase in net OPEB obligation	176,149
Net OPEB obligation beginning of year	<u>143,316</u>
Net OPEB obligation end of year	<u>\$ 319,465</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2010.

Plan members eligible for benefits contributed \$6,078 of the premium costs.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2010 are summarized as follows:

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 143,316	0.00%	\$ 143,316
2010	\$ 178,029	1.06%	\$ 319,465

Funded Status and Funding Progress. As of July 1, 2009, the most recent actuarial valuation date for the period July 1, 2009 through June 30, 2010, the actuarial accrued liability was \$1,576,208, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,576,208. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$8,037,000 and the ratio of the UAAL to covered payroll was 19.61%. As of June 30, 2010, there were no trust fund assets.

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as Required Supplementary Information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2009 actuarial valuation date, the frozen entry age actuarial cost method was used. The actuarial assumptions include a 2.5% discount rate based on the County's funding policy. The projected annual medical trend rate is 6%.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis.

Projected claim costs of the medical plan are \$588.50 per month for retirees less than age 65 and \$1,177.00 per month for family plans of retirees less than age 65. All coverage ceases when the retiree attains age 65. Therefore, claim costs are not calculated for retirees over the age of 65. The actuary made no payroll assumptions as to the future because benefits are not payroll related. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

(10) Risk Management

The County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 634 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained to equal 200 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

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

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's contributions to the Pool for the year ended June 30, 2010 were \$243,204.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured in an amount not to exceed \$2,650,000 per claim and \$10,000,000 in aggregate per year. For members requiring specific coverage from \$3,000,000 to \$10,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$150,000 each occurrence, each location, with excess coverage reinsured by The Travelers Insurance Company.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, or series of claims, exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2010, no liability has been recorded in the County's financial statements. As of June 30, 2010, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$500,000 and \$100,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(11) Employee Health Insurance Plan

The Internal Service, 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 American Administrators. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of \$40,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the 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 American Administrators from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2010 was \$2,696,507.

Amounts payable from the Employee Group Health Fund at June 30, 2010 total \$285,000, 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 \$2,683,264 at June 30, 2010 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 beginning of year	\$ 275,000
Total incurred claims	2,309,133
Total payments	<u>2,299,133</u>
Unpaid claims end of year	<u><u>\$ 285,000</u></u>

(12) Jointly Governed Organization

The County participates in the Clinton County Communications Commission, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa. The parties to the 28E organization are Clinton County, the cities of Camanche, Clinton and DeWitt and the Clinton County Emergency Management Commission. Financial transactions of this organization are included in the County's financial statements as part of the Other Agency Funds because of the County's fiduciary relationship with the organization. The following financial data is for the year ended June 30, 2010:

Additions:

Contributions from governmental units:			
Clinton County	\$ 89,828		
City of Camanche	17,393		
City of Clinton	88,526		
City of DeWitt	<u>21,791</u>	\$ 217,538	
Property tax from County general supplemental levy		<u>875,150</u>	
Total additions		<u><u>1,092,688</u></u>	

Deductions:

Salaries	533,720		
Benefits	244,123		
Office supplies	279		
Uniforms	1,950		
Telephone	7,978		
Technology services	1,860		
Terminal billings	11,031		
Insurance	4,426		
Miscellaneous	<u>3,437</u>	<u>808,804</u>	
Net		283,884	
Balance beginning of year		<u>-</u>	
Balance end of year		<u><u>\$ 283,884</u></u>	

Required Supplementary Information

Clinton 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, 2010

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	\$ 16,633,460	-	16,633,460
Penalty and interest on property tax	262,819	105,243	157,576
Intergovernmental	10,258,995	-	10,258,995
Licenses and permits	108,661	-	108,661
Charges for service	1,028,700	-	1,028,700
Use of money and property	316,029	175	315,854
Miscellaneous	461,044	144,934	316,110
Total receipts	<u>29,069,708</u>	<u>250,352</u>	<u>28,819,356</u>
Disbursements:			
Public safety and legal services	6,385,075	-	6,385,075
Physical health and social services	1,479,860	-	1,479,860
Mental health	7,423,695	-	7,423,695
County environment and education	1,918,114	183,709	1,734,405
Roads and transportation	4,571,823	-	4,571,823
Governmental services to residents	1,115,212	-	1,115,212
Administration	3,128,724	-	3,128,724
Non-program	69,949	-	69,949
Debt service	1,046,950	153,992	892,958
Capital projects	2,908,703	-	2,908,703
Total disbursements	<u>30,048,105</u>	<u>337,701</u>	<u>29,710,404</u>
Deficiency of receipts under disbursements	(978,397)	(87,349)	(891,048)
Other financing sources, net	<u>12,680,956</u>	<u>183,709</u>	<u>12,497,247</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	11,702,559	96,360	11,606,199
Balance beginning of year	<u>8,044,706</u>	<u>39,876</u>	<u>8,004,830</u>
Balance end of year	<u>\$ 19,747,265</u>	<u>136,236</u>	<u>19,611,029</u>

See accompanying independent auditor's report.

Budgeted Amounts		Final to Net Variance
Original	Final	
16,653,021	16,554,577	78,883
152,000	218,547	(60,971)
10,779,817	10,784,852	(525,857)
92,653	118,180	(9,519)
957,355	957,355	71,345
275,850	275,850	40,004
64,775	258,946	57,164
<u>28,975,471</u>	<u>29,168,307</u>	<u>(348,951)</u>
6,885,668	7,027,616	642,541
1,669,584	1,669,584	189,724
8,814,018	8,724,268	1,300,573
1,726,034	1,796,674	62,269
4,468,225	4,768,225	196,402
1,262,439	1,306,939	191,727
3,443,525	3,701,225	572,501
523,625	523,625	453,676
824,864	898,438	5,480
2,399,814	3,852,314	943,611
<u>32,017,796</u>	<u>34,268,908</u>	<u>4,558,504</u>
(3,042,325)	(5,100,601)	4,209,553
<u>1,844,000</u>	<u>12,475,017</u>	<u>22,230</u>
(1,198,325)	7,374,416	4,231,783
<u>6,487,806</u>	<u>7,904,397</u>	<u>100,433</u>
<u>5,289,481</u>	<u>15,278,813</u>	<u>4,332,216</u>

Clinton County
 Budgetary Comparison Schedule - Budget to GAAP Reconciliation
 Required Supplementary Information
 Year ended June 30, 2010

	Governmental Funds		
	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis
Revenues	\$ 29,069,708	(530,752)	28,538,956
Expenditures	30,048,105	390,178	30,438,283
Net	(978,397)	(920,930)	(1,899,327)
Other financing sources, net	12,680,956	(12,665)	12,668,291
Beginning fund balances	8,044,706	(332,476)	7,712,230
Ending fund balances	\$ 19,747,265	(1,266,071)	18,481,194

See accompanying independent auditor's report.

Clinton County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2010

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

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except component units, the Enterprise Fund, the Internal Service Fund 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 10 major classes of expenditures known as functions, not by fund. These 10 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 Capital Projects Fund, the Debt Service Fund and the Permanent 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, two budget amendments increased budgeted disbursements by \$2,251,112. The budget amendments are reflected in the final budgeted amounts.

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

During the year ended June 30, 2010, disbursements did not exceed the amounts budgeted by function. However, disbursements in one department exceeded the amount appropriated.

Clinton County

Schedule of Funding Progress for the
Retiree Health Plan
(in Thousands)

Required Supplementary Information

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2009	Jul 1, 2007	\$ -	\$ 2,181	2,181	0.00%	\$ 7,812	27.92%
2010	Jul 1, 2009	\$ -	\$ 1,576	1,576	0.00%	\$ 8,037	19.61%

See Note 9 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

Other Supplementary Information

Clinton County
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2010

	Special Revenue					
	Resource Enhancement and Protection	County Recorder's Records Management	Public Safety Special	Commissary	Seized Property	Communi- cations Special
Assets						
Cash and pooled investments	\$ 27,260	45,133	66,908	23,139	9,577	126,525
Receivables:						
Property tax:						
Delinquent	-	-	-	-	-	-
Succeeding year	-	-	-	-	-	-
Accounts	-	-	2	826	-	-
Accrued interest	-	-	-	-	-	-
Drainage assessments:						
Delinquent	-	-	-	-	-	-
Succeeding year	-	-	-	-	-	-
Due from other governments	-	-	920	-	-	-
Total assets	\$ 27,260	45,133	67,830	23,965	9,577	126,525
Liabilities and Fund Equity						
Liabilities:						
Accounts payable	\$ 18,790	18,250	-	136	-	-
Deferred revenue:						
Succeeding year property tax	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total liabilities	18,790	18,250	-	136	-	-
Fund equity:						
Fund balances:						
Reserved for:						
Debt service	-	-	-	-	-	-
Vietnam Veterans Memorial	-	-	-	-	-	-
Drainage warrants	-	-	-	-	-	-
Unreserved, reported in:						
Special revenue funds	8,470	26,883	67,830	23,829	9,577	126,525
Permanent fund	-	-	-	-	-	-
Total fund equity	8,470	26,883	67,830	23,829	9,577	126,525
Total liabilities and fund equity	\$ 27,260	45,133	67,830	23,965	9,577	126,525

See accompanying independent auditor's report.

							Permanent	
Miscellaneous Grants	Drainage Districts	Conservation Land Acquisition	Veterans Memorial	Pioneer Cemetery	Debt Service	Vietnam Veterans Trust	Total	
15,364	136,236	34,309	4,936	3,418	91,907	11,878	596,590	
-	-	-	-	-	3,264	-	3,264	
-	-	-	-	-	1,326,000	-	1,326,000	
-	52	470	-	-	-	-	1,350	
-	-	-	-	-	-	68	68	
-	101,435	-	-	-	-	-	101,435	
-	6,473	-	-	-	-	-	6,473	
545	11,574	-	-	-	-	-	13,039	
15,909	255,770	34,779	4,936	3,418	1,421,171	11,946	2,048,219	
2,591	852	26	-	3,092	53	-	43,790	
-	-	-	-	-	1,326,000	-	1,326,000	
-	107,908	-	-	-	3,102	-	111,010	
2,591	108,760	26	-	3,092	1,329,155	-	1,480,800	
-	-	-	-	-	92,016	-	92,016	
-	-	-	-	-	-	5,000	5,000	
-	147,010	-	-	-	-	-	147,010	
13,318	-	34,753	4,936	326	-	-	316,447	
-	-	-	-	-	-	6,946	6,946	
13,318	147,010	34,753	4,936	326	92,016	11,946	567,419	
15,909	255,770	34,779	4,936	3,418	1,421,171	11,946	2,048,219	

Clinton County

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

Year ended June 30, 2010

	Special Revenue					
	Resource Enhancement and Protection	County Recorder's Records Management	Public Safety Special	Commissary	Seized Property	Communi- cations Special
Revenues:						
Property and other county tax	\$ -	-	-	-	-	-
Intergovernmental	29,509	-	-	-	-	-
Charges for service	-	8,936	13,796	-	-	4,765
Use of money and property	178	364	-	8,123	-	-
Miscellaneous	-	-	-	-	2,339	-
Total revenues	29,687	9,300	13,796	8,123	2,339	4,765
Expenditures:						
Operating:						
Public safety and legal services	-	-	6,699	6,299	2,597	-
County environment and education	50,826	-	-	-	-	-
Governmental services to residents	-	56,527	-	-	-	-
Non-program	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Total expenditures	50,826	56,527	6,699	6,299	2,597	-
Excess (deficiency) of revenues over (under) expenditures	(21,139)	(47,227)	7,097	1,824	(258)	4,765
Other financing sources (uses):						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	(6,000)	-	-	-	-
General obligation bonds issued	-	-	-	-	-	-
Discount on bonds issued	-	-	-	-	-	-
Drainage warrants issued	-	-	-	-	-	-
Total other financing sources (uses)	-	(6,000)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(21,139)	(53,227)	7,097	1,824	(258)	4,765
Fund balances beginning of year	29,609	80,110	60,733	22,005	9,835	121,760
Fund balances end of year	\$ 8,470	26,883	67,830	23,829	9,577	126,525

See accompanying independent auditor's report.

							Permanent	
Miscellaneous Grants	Drainage Districts	Conservation Land Acquisition	Veterans Memorial	Pioneer Cemetery	Debt Service	Vietnam Veterans Trust	Total	
-	-	-	-	-	793,490	-	793,490	
60,990	14,013	-	-	-	29,630	-	134,142	
-	-	-	-	2,558	-	-	30,055	
-	197	-	14	-	-	326	9,202	
-	144,934	4,472	-	575	14,984	194	167,498	
60,990	159,144	4,472	14	3,133	838,104	520	1,134,387	
-	-	-	-	-	-	-	15,595	
-	150,259	-	-	13,047	-	-	214,132	
-	-	-	-	-	-	-	56,527	
59,960	-	-	-	-	-	-	59,960	
-	153,992	-	-	-	893,011	-	1,047,003	
-	-	95	-	-	-	-	95	
59,960	304,251	95	-	13,047	893,011	-	1,393,312	
1,030	(145,107)	4,377	14	(9,914)	(54,907)	520	(258,925)	
-	-	15,000	-	10,000	-	-	25,000	
-	-	-	-	-	-	-	(6,000)	
-	-	-	-	-	146,885	-	146,885	
-	-	-	-	-	(418)	-	(418)	
-	183,709	-	-	-	-	-	183,709	
-	183,709	15,000	-	10,000	146,467	-	349,176	
1,030	38,602	19,377	14	86	91,560	520	90,251	
12,288	108,408	15,376	4,922	240	456	11,426	477,168	
13,318	147,010	34,753	4,936	326	92,016	11,946	567,419	

Clinton County
Combining Schedule of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2010

	County Offices	Agricultural Extension Education	County Assessor	City Assessor	Schools	Community Colleges
Assets						
Cash and pooled investments:						
County Treasurer	\$ -	-	486,713	596,756	-	-
Other County officials	163,515	-	-	-	-	-
Receivables:						
Property tax:						
Delinquent	-	1,006	875	3,390	111,348	6,558
Succeeding year	-	244,000	364,000	454,000	28,863,000	1,696,000
Accounts	3,588	-	512	-	-	-
Drainage assessments	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Total assets	\$ 167,103	245,006	852,100	1,054,146	28,974,348	1,702,558
Liabilities						
Accounts payable	\$ -	-	40,810	225,212	-	-
Salaries and benefits payable	-	-	10,523	11,251	-	-
Due to other governments	61,871	245,006	780,722	791,238	28,974,348	1,702,558
Trusts payable	105,232	-	-	26,445	-	-
Compensated absences	-	-	20,045	-	-	-
Stamped drainage warrants payable	-	-	-	-	-	-
Total liabilities	\$ 167,103	245,006	852,100	1,054,146	28,974,348	1,702,558

See accompanying independent auditor's report.

Corporations	Townships	Special Assessments	Auto License and Use Tax	E911 Service Board	Drainage Districts	Other	Total
-	-	-	939,941	642,593	12,859	785,665	3,464,527
-	-	-	-	-	-	-	163,515
91,436	1,006	-	-	-	-	22	215,641
21,037,000	367,000	-	-	-	-	6,000	53,031,000
-	-	-	-	3,673	8	-	7,781
-	-	-	-	-	15,356	-	15,356
-	-	1,352,850	-	-	-	-	1,352,850
-	-	-	-	-	-	8,332	8,332
21,128,436	368,006	1,352,850	939,941	646,266	28,223	800,019	58,259,002
-	-	-	-	791	-	24,833	291,646
-	-	-	-	-	-	36,474	58,248
21,128,436	368,006	1,352,850	939,941	645,475	24,139	733,352	57,747,942
-	-	-	-	-	-	-	131,677
-	-	-	-	-	-	5,360	25,405
-	-	-	-	-	4,084	-	4,084
21,128,436	368,006	1,352,850	939,941	646,266	28,223	800,019	58,259,002

Clinton County
Combining Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds

Year ended June 30, 2010

	County Offices	Agricultural Extension Education	County Assessor	City Assessor	Schools	Community Colleges	Corpora- tions
Assets and Liabilities							
Balances beginning of year	\$ 107,031	234,121	801,132	1,279,113	25,422,545	1,523,038	20,670,967
Additions:							
Property and other county tax	785,440	243,438	361,923	455,928	28,826,193	1,694,966	20,936,030
E911 surcharge	-	-	-	-	-	-	-
State tax credits	-	8,977	15,082	17,804	963,998	58,502	627,997
Office fees and collections	172,892	-	5,692	7,515	-	-	-
Auto licenses, use tax and postage	-	-	-	-	-	-	-
Assessments	-	-	-	-	-	-	-
Trusts	682,282	-	-	-	-	-	-
Miscellaneous	-	-	-	-	29,319	-	-
Total additions	1,640,614	252,415	382,697	481,247	29,819,510	1,753,468	21,564,027
Deductions:							
Agency remittances:							
To other funds	491,515	-	-	-	-	-	-
To other governments	434,845	241,530	331,729	706,214	26,267,707	1,573,948	21,106,558
Trusts paid out	654,182	-	-	-	-	-	-
Total deductions	1,580,542	241,530	331,729	706,214	26,267,707	1,573,948	21,106,558
Balances end of year	\$ 167,103	245,006	852,100	1,054,146	28,974,348	1,702,558	21,128,436

See accompanying independent auditor's report.

Townships	Special Assessments	Auto License and Use Tax	E911 Service Board	Drainage Districts	Other	Total
355,523	707,520	868,122	698,256	24,019	448,996	53,140,383
363,140	-	-	-	-	4,160,383	57,827,441
-	-	-	206,683	-	-	206,683
15,756	-	-	-	-	200	1,708,316
-	-	-	-	-	4,743	190,842
-	-	10,235,904	-	-	-	10,235,904
-	1,285,269	-	-	1,552	-	1,286,821
-	-	-	-	-	-	682,282
2,543	-	-	-	36	2,638,826	2,670,724
381,439	1,285,269	10,235,904	206,683	1,588	6,804,152	74,809,013
-	-	363,062	-	-	-	854,577
368,956	639,939	9,801,023	258,673	1,468	6,450,061	68,182,651
-	-	-	-	-	3,068	657,250
368,956	639,939	10,164,085	258,673	1,468	6,453,129	69,694,478
368,006	1,352,850	939,941	646,266	24,139	800,019	58,254,918

Clinton County

Schedule of Revenues By Source and Expenditures By Function -
All Governmental Funds

For the Last Ten Years

	2010	2009	2008	2007	2006
Revenues:					
Property and other county tax	\$ 15,151,449	13,122,899	12,611,466	11,889,226	10,885,977
Local option sales tax	1,493,260	1,596,635	1,349,137	1,502,602	1,197,154
Interest and penalty on property tax	152,824	167,424	175,190	144,441	149,590
Intergovernmental	9,984,494	11,379,705	10,954,929	10,339,027	10,154,334
Licenses and permits	107,223	95,627	100,548	68,677	68,648
Charges for service	1,005,790	1,017,760	1,041,896	1,121,830	1,090,334
Use of money and property	312,597	325,334	481,374	439,454	306,207
Fines, forfeitures and defaults	-	-	-	-	-
Miscellaneous	331,319	319,848	435,410	357,352	166,449
Total	\$ 28,538,956	28,025,232	27,149,950	25,862,609	24,018,693
Expenditures:					
Operating:					
Public safety and legal services	\$ 6,378,617	5,773,813	5,698,173	5,391,799	4,936,287
Physical health and social services	1,550,419	1,476,184	1,370,152	1,397,848	1,388,548
Mental health	7,640,292	8,495,067	8,351,568	7,935,820	7,592,273
County environment and education	1,889,731	1,855,913	1,561,503	1,825,999	1,370,588
Roads and transportation	4,668,020	5,039,654	5,344,431	4,378,909	4,760,000
Governmental services to residents	1,136,514	1,240,716	996,106	1,204,331	995,914
Administration	3,143,634	3,020,633	2,617,109	2,453,222	2,350,649
Non-program	59,960	61,998	106,136	464,257	194,083
Debt service	1,047,003	150,383	375,174	139,031	6,131
Capital projects	2,924,093	425,943	237,297	361,943	757,545
Total	\$ 30,438,283	27,540,304	26,657,649	25,553,159	24,352,018

See accompanying independent auditor's report.

Modified Accrual Basis				
2005	2004	2003	2002	2001
10,710,558	9,447,875	8,793,361	7,963,413	7,646,834
1,093,416	1,156,654	1,130,265	1,253,115	1,013,936
141,399	136,061	126,934	140,436	122,401
9,633,194	8,944,998	9,223,499	8,790,077	8,305,213
70,707	72,140	60,654	54,328	57,014
1,022,569	1,030,033	1,048,678	995,209	907,770
290,174	301,262	376,337	579,883	1,215,019
-	-	-	1,542	536
144,475	356,861	135,193	107,772	184,306
23,106,492	21,445,884	20,894,921	19,885,775	19,453,029
4,679,136	5,130,033	5,198,361	4,962,123	4,545,327
1,204,231	1,262,023	1,341,749	1,313,660	1,302,684
6,637,459	6,343,867	6,122,126	6,138,493	5,687,340
1,290,889	1,223,923	1,168,167	1,045,884	905,149
4,777,320	4,458,304	4,659,504	4,118,960	3,542,361
865,039	814,434	825,694	759,371	711,638
2,437,853	2,249,299	2,368,381	2,225,806	2,466,712
567,989	148,061	74,304	97,865	37,075
36,319	21,717	4,739	-	-
1,501,840	518,630	1,920,508	2,195,005	2,294,561
23,998,075	22,170,291	23,683,533	22,857,167	21,492,847

Schedule 6

Clinton County

Schedule of Expenditures of Federal Awards

Year ended June 30, 2010

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Direct:			
U.S. Department of Justice:			
Bulletproof Vest Partnership Program	16.607	3016158	\$ 454
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	16.803	2009-SB-B9-1971	4,312
U.S. Department of Energy:			
ARRA - Energy Efficiency and Conservation Block Grant Program	81.128		36,010
Total direct			<u>40,776</u>
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		<u>28,825</u>
U.S. Department of Justice:			
Governor's Office of Drug Control Policy:			
Public Safety Partnership and Community Policing Grants	16.710	09-HOTSPOTS-03	<u>29,957</u>
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	16.803	09-JAG/ARRA-290	<u>23,000</u>
U.S. Department of Transportation:			
Iowa Department of Public Safety:			
Governor's Traffic Safety Bureau:			
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	09-410, Task 18	6,952
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	10-410, Task 15	<u>16,472</u>
			<u>23,424</u>
U.S. Department of Education:			
Iowa Department of Public Health:			
ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	5880CO23	7,101
Iowa Department of Transportation:			
ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	S397A0090016A	<u>35,373</u>
			<u>42,474</u>
U.S. Department of Health and Human Services:			
Iowa Department of Public Health:			
Public Health Emergency Preparedness Centers for Disease Control and Prevention	93.069	5880BT23	<u>105,800</u>
- Investigations and Technical Assistance	93.283	5888NB09	<u>36,696</u>

Clinton County
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2010

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Indirect (continued):			
U.S. Department of Health and Human Services:			
Human Services Administrative Reimbursements:			
Temporary Assistance for Needy Families	93.558		14,480
Refugee and Entrant Assistance_State Administered Programs	93.566		82
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		7,620
Foster Care-Title IV-E	93.658		15,608
Adoption Assistance	93.659		3,853
Children's Health Insurance Program	93.767		178
Medical Assistance Program	93.778		32,832
Social Services Block Grant	93.667		15,231
Social Services Block Grant	93.667		223,475
			<u>238,706</u>
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)	97.036	FEMA 1763 DRIA	1,776
Emergency Management Performance Grants	97.042		43,303
Black Hawk County Emergency Management Agency (Region VI):			
Homeland Security Grant Program (Non-Cash)	97.067	FFY 2006	2,285
Homeland Security Grant Program (Non-Cash)	97.067	FFY 2007	4,353
Homeland Security Grant Program (Non-Cash)	97.067	FFY 2008	445
			<u>7,083</u>
Total indirect			655,697
Total			<u>\$ 696,473</u>

Basis of Presentation – The Schedule of Expenditures of Federal Awards includes the federal grant activity of Clinton 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.

See accompanying independent auditor's report.

Clinton County



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

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

To the Officials of Clinton County:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Clinton County, Iowa, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements listed in the table of contents, and have issued our report thereon dated February 23, 2011. 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 Clinton 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 Clinton County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Clinton 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 and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting we consider to be a material weakness and other deficiencies we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the County's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency in internal control described in Part II of the accompanying Schedule of Findings and Questioned Costs as item II-A-10 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in Part II of the accompanying Schedule of Findings and Questioned Costs as items II-B-10, II-C-10 and II-D-10 to be significant deficiencies.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2010 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.

Clinton County's responses to 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 Clinton 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 Clinton County and other parties to whom Clinton County may report, including federal awarding agencies and pass-through entities, and 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 Clinton 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.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

February 23, 2011

**Independent Auditor's Report on Compliance
with Requirements That Could Have a Direct and Material Effect
on Each Major Program and on Internal Control over Compliance in Accordance
with OMB Circular A-133**

Clinton County



OFFICE OF AUDITOR OF STATE

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Independent Auditor's Report on Compliance
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with OMB Circular A-133

To the Officials of Clinton County:

Compliance

We have audited Clinton County, Iowa's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on Clinton County's major federal programs for the year ended June 30, 2010. Clinton County's major federal programs are identified in Part I 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 Clinton County's management. Our responsibility is to express an opinion on Clinton 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 Clinton 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 Clinton County's compliance with those requirements.

In our opinion, Clinton County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed an instance of non-compliance with those requirements which is required to be reported in accordance with OMB Circular A-133 and is described as item III-A-10 in the accompanying Schedule of Findings and Questioned Costs.

Internal Control Over Compliance

The management of Clinton County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Clinton 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Clinton County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as discussed below, we identified a deficiency in internal control over compliance we consider to be a material weakness.

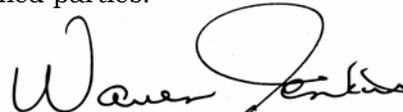
A deficiency in the County's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item III-A-10 to be a material weakness.

Clinton 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 Clinton 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 Clinton County and other parties to whom Clinton County may report, including federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

February 23, 2011

Clinton County
Schedule of Findings and Questioned Costs
Year ended June 30, 2010

Part I: Summary of the Independent Auditor's Results:

- (a) Unqualified opinions were issued on the financial statements.
- (b) Significant deficiencies and a material weakness in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) A material weakness in internal control over a major program was disclosed by the audit of the financial statements.
- (e) An unqualified opinion was issued on compliance with requirements applicable to the major programs.
- (f) The audit disclosed an audit finding which is required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The major programs were as follows:
 - CFDA Number 93.069 – Public Health Emergency Preparedness
 - CFDA Number 93.283 – Centers for Disease Control and Prevention – Investigations and Technical Assistance
 - 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) Clinton County did not qualify as a low-risk auditee.

Clinton County

Schedule of Findings and Questioned Costs

Year ended June 30, 2010

Part II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

II-A-10 Segregation of Duties – During our review of internal control, the existing procedures are evaluated in order to determine 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. Generally, one or two individuals in the offices identified may have control over the following areas for which no compensating controls exist:

	<u>Applicable Offices</u>
(1) Collection and deposit preparation functions were not performed by an individual who does not record and account for cash receipts.	Conservation and Conservation Foundation
(2) Bank accounts are not reconciled by an individual who does not sign checks, handle or record cash. An independent review of the reconciliation is not performed.	Recorder, Conservation and Conservation Foundation

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. Reviews performed by independent persons should be evidenced by initials or signature of the reviewer and the date of the review.

Responses –

Conservation – Segregation of duties is very difficult with a small office staff. Currently, we have two full-time office employees, the executive director and the administrative assistant. We will make an effort to try and utilize other, non-office staff to review and initial deposits and reports when they are available. Because other staff have other duties, we will only be able to utilize their time on a limited basis.

Conservation Foundation – All Foundation donations are first recorded by the Executive Director. All Foundation donations are then receipted by the Foundation Treasurer. All collection of cash and checks and deposit functions are performed by the Foundation Treasurer, or a member of the three-person Finance Committee.

Bank accounts are reconciled monthly by the Foundation Treasurer. The retained CPA of the Foundation provides an independent reconciliation annually. In addition, the CPA annually prepares a compilation report of the Foundation’s balance sheet and income statement.

Clinton County

Schedule of Findings and Questioned Costs

Year ended June 30, 2010

County Recorder – The Recorder recognizes the necessity of separation of duties for financial control purposes and makes an earnest effort to comply with the State Auditor’s recommendation. Not to be overlooked in this control process are the silent partners present in the modern point of sale receipting programs

The Avid imaging system requires reconciliation between the number of pages imaged, the established fee per page and the amount of funds tendered before a transaction can be completed. In this system, financial changes to an established transaction are restricted by a biometric identification login procedure.

All sales of hunting and fishing, ATV and snowmobile licenses through the Electronic Licensing System of Iowa (ELSI) are immediately recorded in the Department of Natural Resources data base.

The Iowa Department of Public Health requires documented usage and receipting of every page of certified Vital Record paper.

The Recorder reviews the mail before distributing to select employees in an attempt to prevent distribution patterns and explanation for isolated checks.

Procedures are being put in place to prevent check preparation and signing by the same individual.

Bank reconciliations are being reviewed by an individual with very limited accounting input.

Conclusions –

Conservation – Response accepted.

Conservation Foundation – Response acknowledged. The responsibility for collection and deposit preparation and the recording and accounting for cash receipts should be segregated to the extent possible. In addition, the bank reconciliation should be reviewed monthly.

County Recorder – Response accepted.

II-B-10 Accounting Procedures Manual – We encourage the development of office procedures and standardized accounting manuals for all County offices. In addition, we encourage obtaining or developing user manuals/help guides for the accounting software the County utilizes. These manuals and guides should provide the following benefits:

- (1) Aid in training additional or replacement personnel.
- (2) Help achieve uniformity in accounting and in the application of policies and procedures.
- (3) Save supervisory time by recording decisions so they will not have to be made each time the same, or a similar, situation arises.

Clinton County

Schedule of Findings and Questioned Costs

Year ended June 30, 2010

- (4) Improve efficiency and understanding of steps to perform for running monthly financial reports and retrieving management information.

Recommendation – Office procedures and accounting manuals should be prepared for all County offices.

Response – Clinton County utilizes the software vendor’s website for various accounting manuals. Each position prints the manuals from the website as needed. Employees may refer to the website without printing manuals as needed.

Conclusion – Response acknowledged. Each office should develop an accounting manual with general office procedures which supplement the software related procedures.

- II-C-10 Financial Reporting – We identified employee vacation hour balances not originally recorded as compensated absences. In addition, deferred revenue of \$171,690 was not properly recorded. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

Recommendation – The County should implement procedures to ensure compensated absences and deferred revenue are properly identified and included in the County’s financial statements.

Response – The County accepts the recommendation to implement procedures to ensure compensated absences and deferred revenue are properly identified and included in the county’s financial statements. The recommended procedure has been discussed with staff in preparation of implementation in the next fiscal year.

Conclusion – Response accepted.

- II-D-10 Federal Reimbursement Requests – The County submits monthly expenditure reports to the Iowa Department of Public Health for subsequent reimbursement of allowable grant costs. The County did not submit a request for reimbursement of allowable grant expenditures for December 2009 in the amount of \$9,144.

Recommendation – The County should implement procedures to ensure all reimbursements for allowable grant expenditures are requested timely.

Response – It appears we did not bill for December 2009 for H1N1 phase 2 and 3 services. We will not bill for those services at this time since we are in another fiscal year, but in the future will double check at the end of the fiscal year to make sure all the months have been billed. The process also is easier to track with the new Sharepoint system implemented by the Iowa Department of Public Health at the start of this fiscal year.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Clinton County

Schedule of Findings and Questioned Costs

Year ended June 30, 2010

Part III: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

CFDA Number 93.069: Public Health Emergency Preparedness

Pass-through Agency Number: 5880BT23

Federal Award Year: 2010

U.S. Department of Health and Human Services

Passed through the Iowa Department of Public Health

III-A-10 Federal Reimbursement Requests – The County did not submit a request for reimbursement of allowable grant expenditures for December 2009 in the amount of \$9,144. See item II-D-10.

Clinton County

Schedule of Findings and Questioned Costs

Year ended June 30, 2010

Part IV: Other Findings Related to Required Statutory Reporting:

IV-A-10 Certified Budget – During the year ended June 30, 2010, disbursements did not exceed the amounts budgeted by function. However, disbursements in one 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 increases or decreases should be made before disbursements are allowed to exceed the appropriation.

Response – The County has reviewed the condition reported concerning the department exceeding their ending budget. The County accepts the recommendation to amend budgets in a timely manner before disbursements are allowed to exceed the budget.

Conclusion – Response accepted.

IV-B-10 Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

IV-C-10 Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

IV-D-10 Business Transactions – No business transactions between the County and County officials or employees were noted.

IV-E-10 Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

IV-F-10 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

IV-G-10 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.

IV-H-10 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-10 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.

Clinton County

Schedule of Findings and Questioned Costs

Year ended June 30, 2010

Disbursements during the year ended June 30, 2010 for the County Extension Office exceeded the amount budgeted.

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

Response – We have addressed this issue by creating a new procedure in which a monthly financial review is completed by both the Bookkeeper and the Council Treasurer. The monthly financial reports will be reviewed to compare the year to date actual expenditures to the approved budget. Discussion will follow with the Council if the percentage of expenditures appears to be increasing at a rate which might require amending the budget.

Conclusion – Response accepted.

IV-J-10 Taxable Fringe Benefits – The Clinton County Communications Commission currently provides a \$150 clothing allowance to certain employees. In accordance with Internal Revenue Service (IRS) regulations, this type of clothing allowance is a fringe benefit which should be reported as income on employee W-2 forms. The Commission does not report these fringe benefits as income as required.

Recommendation – The Clinton County Communications Commission and Clinton County should contact the IRS to determine the disposition of this matter.

Response – The County accepts the recommendation to review and modify policies to address compliance with IRS regulations governing the clothing allowance within the Clinton County Communication Commission.

Conclusion – Response accepted.

Clinton County

Staff

This audit was performed by:

Suzanne R. Dahlstrom, CPA, Manager
Donna F. Kruger, CPA, Manager
Brian P. Schenkelberg, CPA, Staff Auditor
Jacqueline E. Gulick, Staff Auditor
Jenny M. Podrebarac, Staff Auditor
Ainslee M. Barnes, Assistant Auditor
Kurt D. Goldsmith, Assistant Auditor
Alicia K. Kane, Auditor Intern

A handwritten signature in black ink that reads "Andrew E. Nielsen". The signature is written in a cursive style with a large, prominent initial "A".

Andrew E. Nielsen, CPA
Deputy Auditor of State