



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Auditor of State

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NEWS RELEASE

FOR RELEASE

March 24, 2009

Contact: Andy Nielsen
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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 \$63,669,129 for the year ended June 30, 2008, which included \$2,427,828 in tax credits from the state. The County forwarded \$50,463,323 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$13,205,806 of the local tax revenue to finance County operations, a 5.6 percent increase over the prior year. Other revenues included charges for service of \$2,425,513, operating grants, contributions and restricted interest of \$10,208,057, capital grants, contributions and restricted interest of \$1,795,146, local option sales tax of \$1,349,137, unrestricted investment earnings of \$352,399 and other general revenues of \$476,699.

Expenses for County operations totaled \$27,935,681, a 7.1 percent increase over the prior year. Expenses included \$8,274,739 for mental health, \$6,633,079 for roads and transportation and \$5,489,613 for public safety and legal services.

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/reports.htm>.

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CLINTON COUNTY

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

JUNE 30, 2008

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Clinton County

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Grant Wilke	Board of Supervisors	Jan 2009
Jill Davisson	Board of Supervisors	Jan 2011
Dennis Starling	Board of Supervisors	Jan 2011
Charles Sheridan	County Auditor	Jan 2009
Rhonda McIntyre	County Treasurer	Jan 2011
Stephen Managan	County Recorder	Jan 2011
Rick Lincoln	County Sheriff	Jan 2009
Michael Wolf	County Attorney	Jan 2011
Roland Ehm	County Assessor	Jan 2010
John Moreland	City Assessor	Jan 2010

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, 2008, 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.

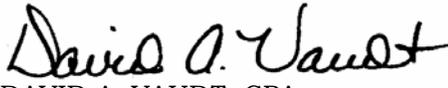
We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain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

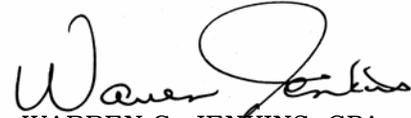
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Clinton County at June 30, 2008, and the 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 11, 2009 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 and budgetary comparison information on pages 7 through 13 and 46 through 49 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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 seven years ended June 30, 2007 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 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 11, 2009

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, 2008. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2008 FINANCIAL HIGHLIGHTS

- Revenues of the County's governmental activities increased 3.1%, or approximately \$893,000, from fiscal 2007 to fiscal 2008. Property tax increased approximately \$693,000, operating grants, contributions and restricted interest increased approximately \$800,000, capital grants, contributions and restricted interest decreased approximately \$691,000 and local option sales and services tax decreased approximately \$154,000.
- Program expenses of the County's governmental activities increased 7.2%, or approximately \$1,862,000. Roads and transportation expenses increased approximately \$1,668,000.
- The County's governmental activities net assets increased 4.6%, or approximately \$1,896,000, from June 30, 2007 to June 30, 2008.

USING THIS ANNUAL REPORT

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

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

The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of 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.

Other Supplementary Information provides detailed information about the nonmajor governmental and the individual Agency Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the County.

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

The County's governmental activities are presented in the Statement of Net Assets and the Statement of Activities. Governmental activities include public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, interest on long-term debt and non-program activities. Property tax and state and federal grants finance most of these activities.

Fund Financial Statements

The County has three kinds of funds:

1) Governmental funds account for most of the County's basic services. These focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Mental Health, Rural Services and Secondary Roads, and 3) the 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 slightly from a year ago from approximately \$41.4 million to approximately \$43.3 million. The analysis that follows focuses on the changes in net assets.

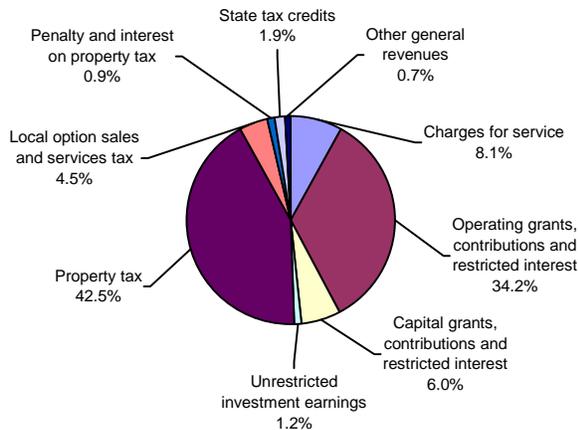
Net Assets of Governmental and Business Type Activities							
(Expressed in Thousands)							
	Governmental		Business Type		Total		
	Activities		Activities		Total		
	June 30,		June 30,		June 30,		
	2008	2007	2008	2007	2008	2007	
Current and other assets	\$ 24,552	23,030	16	40	24,568	23,070	
Capital assets	34,630	34,122	145	147	34,775	34,269	
Total assets	59,182	57,152	161	187	59,343	57,339	
Long-term liabilities	819	1,054	8	8	827	1,062	
Other liabilities	15,223	14,854	10	17	15,233	14,871	
Total liabilities	16,042	15,908	18	25	16,060	15,933	
Net assets:							
Invested in capital assets	34,630	34,122	145	147	34,775	34,269	
Restricted	3,184	2,603	-	-	3,184	2,603	
Unrestricted	5,326	4,519	(2)	15	5,324	4,534	
Total net assets	\$ 43,140	41,244	143	162	43,283	41,406	

The largest portion of the County's net assets is invested in capital assets (e.g., land, infrastructure, buildings and equipment). Restricted net assets represent resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements—increased from approximately \$4,534,000 at June 30, 2007 to approximately \$5,324,000 at the end of this year, an increase of 17.4%. The County has adopted a five year plan to replace aging equipment.

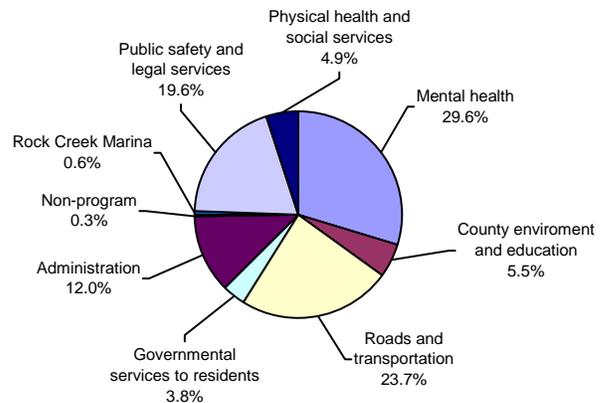
Changes in Net Assets of Governmental and Business Type Activities
(Expressed in Thousands)

	Governmental		Business Type		Total	
	Activities		Activities			
	Year ended June 30,					
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for service	\$ 2,290	2,198	136	168	2,426	2,366
Operating grants, contributions and restricted interest	10,208	9,408	-	-	10,208	9,408
Capital grants, contributions and restricted interest	1,785	2,476	10	-	1,795	2,476
General revenues:						
Property tax	12,626	11,933	-	-	12,626	11,933
Penalty and interest on property tax	265	139	-	-	265	139
State tax credits	580	574	-	-	580	574
Local option sales and services tax	1,349	1,503	-	-	1,349	1,503
Unrestricted investment earnings	352	280	-	-	352	280
Other general revenues	212	263	-	-	212	263
Total revenues	29,667	28,774	146	168	29,813	28,942
Program expenses:						
Public safety and legal services	5,489	5,244	-	-	5,489	5,244
Physical health and social services	1,358	1,382	-	-	1,358	1,382
Mental health	8,275	7,896	-	-	8,275	7,896
County environment and education	1,534	1,812	-	-	1,534	1,812
Roads and transportation	6,633	4,965	-	-	6,633	4,965
Governmental services to residents	1,053	1,248	-	-	1,053	1,248
Administration	3,345	2,898	-	-	3,345	2,898
Non-program	84	464	-	-	84	464
Rock Creek Marina	-	-	165	172	165	172
Total expenses	27,771	25,909	165	172	27,936	26,081
Increase (decrease) in net assets	1,896	2,865	(19)	(4)	1,877	2,861
Net assets beginning of year	41,244	38,379	162	166	41,406	38,545
Net assets end of year	\$ 43,140	41,244	143	162	43,283	41,406

Revenues by Source



Expenses by Function



Clinton County's net assets of governmental activities increased approximately \$1,896,000 during the year. Revenues for governmental activities increased approximately \$893,000 over the prior year, with operating grants, contributions and restricted interest up approximately \$800,000, or 8.5%, and capital grants, contributions and restricted interest revenue down approximately \$691,000, or 27.9%, 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 \$570,000 from last year's total of approximately \$6.5 million. The increase in fund balance is primarily attributable to revenues exceeding expenditures. 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 \$1,026,000. The ending fund balance increased approximately \$1,028,000 over the prior year to approximately \$4,765,000.
- The County has continued to look for ways to effectively manage the cost of mental health services. For the year, expenditures totaled approximately \$8,352,000, an increase of 5.2% over the prior year. The Mental Health Fund balance at year end increased approximately \$195,000 over the prior year.
- Rural Services Fund expenditures totaled approximately \$601,000, an increase of 8.2% over the prior year.
- Secondary Roads Fund expenditures increased approximately \$867,000 from the prior year, mainly due to an increase in roadway construction and maintenance expenditures. The Secondary Roads Fund balance at year end decreased approximately \$426,000.

BUDGETARY HIGHLIGHTS

Over the course of the year, Clinton County amended its budget three times. The first amendment was made in December 2007 and resulted in an increase in budgeted disbursements for juvenile probation, economic development and pass through grants. The second amendment was made in April 2008. This amendment was made to allow for increases in election and medical examiner disbursements. The third amendment was made in May 2008 to allow for disbursement of grant funds for county conservation and increased costs for ice and snow removal in the Secondary Roads Department.

Even with budget amendments, the County exceeded the budgeted amount in the roads and transportation function for the year ended June 30, 2008. This was the result of fewer disbursements in the capital projects function and increased disbursements in the roads and transportation function. A budget amendment was not made to change spending authority in these areas. The overall total budget for Secondary Roads was not exceeded.

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 \$26,389,916 were \$1,556,789 less than the amended budget. The public safety and legal services, administration, capital projects, non program, physical health and social services, governmental services to residents and mental health functions were \$439,725, \$325,494, \$247,448, \$241,442, \$217,318, \$153,496 and \$96,043, respectively, less than budgeted. The County's receipts were \$790,491 more than the amended budget. Intergovernmental, charges for service and use of money and property receipts were \$222,882, \$152,268 and \$151,249 more than anticipated.

Public safety and legal services function disbursements were less than budgeted, primarily due to less than anticipated room and board costs. Administration function disbursements were less than budgeted, primarily due to decreased costs in postage, human resources and

construction of new storage building. Capital projects function disbursements were less than budgeted, primarily due to construction activity progressing slower than anticipated. Non-program function disbursements were less than budgeted, primarily due to over estimating an anticipated grant. Physical health and social services disbursements were less than budgeted, primarily due to less than anticipated juvenile detention costs. Governmental services to residents disbursements were less than budgeted, primarily due to the State paying for the new voting machines. Mental health disbursements were less than budgeted, primarily due to slightly lower expenses in the CMI portion of the budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2008, Clinton County had approximately \$34.6 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This is a net increase (including additions and deletions) of approximately \$508,000, or 1.5%, over last year.

Capital Assets of Governmental Activities at Year End (Expressed in Thousands)		
	June 30,	
	2008	2007
Land	\$ 746	746
Construction in progress	1,937	3,038
Buildings and improvements	5,437	5,604
Equipment and vehicles	4,613	4,809
Infrastructure	21,896	19,925
Total	<u>\$ 34,629</u>	<u>34,122</u>

The County had depreciation expense of \$1,878,979 in FY08 and total accumulated depreciation of \$21,465,628 at June 30, 2008.

The County's fiscal year 2008 budget included \$484,325 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.

Debt

At June 30, 2008, Clinton County had approximately \$204,000 in drainage warrants payable compared to approximately \$492,000 at June 30, 2007. Additional information about the County's long-term debt 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 2009 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 4.2% versus 3.2% a year ago. This compares with the State's unemployment rate of 4% and the national rate of 5.7%.

These indicators were taken into account when adopting the budget for fiscal year 2009. Amounts available for appropriation in the operating budget are \$27,093,311, a 4.2% increase over the final 2008 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 \$612,000 due to several retirements, the need for training new personnel and increased elections cost because it is a Presidential election year. The County has built a new building, primarily to house the voting machines and county vehicles, but otherwise has added no major new programs or initiatives to the 2009 budget.

If these estimates are realized, the County's budgetary operating balance is expected to modestly decrease by the close of 2009.

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, 2008

	Governmental Activities	Business Type Activities	Total
Assets			
Cash and pooled investments	\$ 9,829,207	14,225	9,843,432
Receivables:			
Property tax:			
Delinquent	62,837	-	62,837
Succeeding year	12,964,000	-	12,964,000
Interest and penalty on property tax	185,953	-	185,953
Accounts	85,460	1,970	87,430
Accrued interest	12	-	12
Drainage assessments:			
Current	133,503	-	133,503
Future	59,388	-	59,388
Due from other governments	881,289	-	881,289
Inventories	349,954	-	349,954
Capital assets (net of accumulated depreciation)	34,629,585	145,199	34,774,784
	59,181,188	161,394	59,342,582
Liabilities			
Accounts payable	996,694	7,070	1,003,764
Salaries and benefits payable	384,840	3,232	388,072
Due to other governments	876,543	-	876,543
Deferred revenue:			
Succeeding year property tax	12,964,000	-	12,964,000
Long-term liabilities:			
Portion due or payable within one year:			
Compensated absences	412,360	7,830	420,190
Drainage warrants	133,503	-	133,503
Portion due or payable after one year:			
Compensated absences	203,103	-	203,103
Drainage warrants	70,002	-	70,002
	16,041,045	18,132	16,059,177
Net Assets			
Invested in capital assets	34,629,585	145,198	34,774,783
Restricted for:			
Supplemental levy purposes	578,612	-	578,612
Mental health purposes	500,361	-	500,361
Secondary roads purposes	1,650,270	-	1,650,270
Drainage districts	9,613	-	9,613
Vietnam Veterans Memorial	5,000	-	5,000
Other	440,713	-	440,713
Unrestricted	5,325,989	(1,936)	5,324,053
	\$ 43,140,143	143,262	43,283,405

See notes to financial statements.

Clinton County
Statement of Activities
Year ended June 30, 2008

	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	\$ 5,489,613	404,960	525,148	-
Physical health and social services	1,357,515	82,851	418,427	-
Mental health	8,274,739	64,727	5,591,751	-
County environment and education	1,533,630	36,123	46,029	-
Roads and transportation	6,633,079	46,463	3,477,921	1,785,146
Governmental services to residents	1,053,044	768,734	-	-
Administration	3,345,436	819,629	64,992	-
Non-program	84,166	66,459	83,789	-
Total governmental activities	27,771,222	2,289,946	10,208,057	1,785,146
Business type activities:				
Rock Creek Marina	164,459	135,567	-	10,000
Total	\$ 27,935,681	2,425,513	10,208,057	1,795,146

General Revenues:

Property and other county tax levied for general purposes
Penalty and interest on property tax
State tax credits
Local option sales and services tax
Unrestricted investment earnings
Gain on disposition of capital assets
Miscellaneous

Total general revenues

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		
Governmental Activities	Business Type Activities	Total
(4,559,505)	-	(4,559,505)
(856,237)	-	(856,237)
(2,618,261)	-	(2,618,261)
(1,451,478)	-	(1,451,478)
(1,323,549)	-	(1,323,549)
(284,310)	-	(284,310)
(2,460,815)	-	(2,460,815)
66,082	-	66,082
(13,488,073)	-	(13,488,073)
-	(18,892)	(18,892)
(13,488,073)	(18,892)	(13,506,965)
12,625,906	-	12,625,906
264,347	-	264,347
579,900	-	579,900
1,349,137	-	1,349,137
352,152	247	352,399
1,172	-	1,172
211,180	-	211,180
15,383,794	247	15,384,041
1,895,721	(18,645)	1,877,076
41,244,422	161,907	41,406,329
\$ 43,140,143	143,262	43,283,405

Clinton County
Balance Sheet
Governmental Funds

June 30, 2008

Assets	General	Special Revenue	
		Mental Health	Rural Services
Cash and pooled investments	\$ 4,934,456	1,248,190	247,012
Receivables:			
Property tax:			
Delinquent	43,769	14,140	4,928
Succeeding year	8,696,000	2,756,000	1,512,000
Interest and penalty on property tax	185,953	-	-
Accounts	5,808	12,538	-
Accrued interest	-	-	-
Drainage assessments:			
Delinquent	-	-	-
Succeeding year	-	-	-
Due from other funds	-	-	-
Due from other governments	317,453	108,277	-
Inventories	-	-	-
Total assets	\$ 14,183,439	4,139,145	1,763,940
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 172,058	228,494	42,265
Salaries and benefits payable	243,998	44,805	10,131
Due to other funds	-	-	10,287
Due to other governments	85,607	789,842	-
Deferred revenue:			
Succeeding year property tax	8,696,000	2,756,000	1,512,000
Other	221,002	12,938	4,838
Total liabilities	9,418,665	3,832,079	1,579,521
Fund balances:			
Reserved for:			
Supplemental levy purposes	578,612	-	-
Vietnam Veterans Memorial	-	-	-
Unreserved, reported in:			
General fund	4,186,162	-	-
Special revenue funds	-	307,066	184,419
Permanent fund	-	-	-
Total fund balances	4,764,774	307,066	184,419
Total liabilities and fund balances	\$ 14,183,439	4,139,145	1,763,940

See notes to financial statements.

Secondary Roads	Nonmajor	Total
954,568	474,573	7,858,799
-	-	62,837
-	-	12,964,000
-	-	185,953
4,221	1,057	23,624
-	12	12
-	133,503	133,503
-	59,388	59,388
10,287	-	10,287
448,120	7,439	881,289
349,954	-	349,954
<u>1,767,150</u>	<u>675,972</u>	<u>22,529,646</u>
273,999	16,342	733,158
85,906	-	384,840
-	-	10,287
294	800	876,543
-	-	12,964,000
36,237	192,891	467,906
<u>396,436</u>	<u>210,033</u>	<u>15,436,734</u>
-	-	578,612
-	5,000	5,000
-	-	4,186,162
1,370,714	454,797	2,316,996
-	6,142	6,142
<u>1,370,714</u>	<u>465,939</u>	<u>7,092,912</u>
<u>1,767,150</u>	<u>675,972</u>	<u>22,529,646</u>

Clinton County

Clinton County

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

June 30, 2008

Total governmental fund balances (page 21) \$ 7,092,912

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$56,095,213 and the accumulated depreciation is \$21,465,628. 34,629,585

Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the governmental funds. 467,906

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. 1,768,708

Long-term liabilities, including drainage warrants and compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds. (818,968)

Net assets of governmental activities (page 17) \$ 43,140,143

See notes to financial statements.

Clinton County

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

Year ended June 30, 2008

	General	Special Revenue	
		Mental Health	Rural Services
Revenues:			
Property and other county tax	\$ 9,191,680	2,763,033	1,155,934
Interest and penalty on property tax	175,190	-	-
Intergovernmental	1,617,420	5,718,110	62,392
Licenses and permits	76,378	-	-
Charges for service	955,092	64,727	-
Use of money and property	426,090	-	-
Miscellaneous	83,343	260	-
Total revenues	<u>12,525,193</u>	<u>8,546,130</u>	<u>1,218,326</u>
Expenditures:			
Operating:			
Public safety and legal services	5,516,156	-	142,035
Physical health and social services	1,370,152	-	-
Mental health	-	8,351,568	-
County environment and education	1,014,919	-	458,990
Roads and transportation	-	-	-
Governmental services to residents	980,679	-	-
Administration	2,617,109	-	-
Non-program	-	-	-
Debt service	-	-	-
Capital projects	-	-	-
Total expenditures	<u>11,499,015</u>	<u>8,351,568</u>	<u>601,025</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,026,178</u>	<u>194,562</u>	<u>617,301</u>
Other financing sources (uses):			
Sale of capital assets	1,550	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	(750,505)
Drainage warrants issued	-	-	-
Total other financing sources (uses)	<u>1,550</u>	<u>-</u>	<u>(750,505)</u>
Net change in fund balances	1,027,728	194,562	(133,204)
Fund balances beginning of year	<u>3,737,046</u>	<u>112,504</u>	<u>317,623</u>
Fund balances end of year	<u>\$ 4,764,774</u>	<u>307,066</u>	<u>184,419</u>

See notes to financial statements.

Secondary Roads	Nonmajor	Total
849,956	-	13,960,603
-	-	175,190
3,441,684	115,323	10,954,929
24,170	-	100,548
4,328	17,749	1,041,896
17,965	37,319	481,374
51,683	300,124	435,410
4,389,786	470,515	27,149,950
-	39,982	5,698,173
-	-	1,370,152
-	-	8,351,568
-	87,594	1,561,503
5,344,431	-	5,344,431
-	15,427	996,106
-	-	2,617,109
-	106,136	106,136
-	375,174	375,174
221,695	15,602	237,297
5,566,126	639,915	26,657,649
(1,176,340)	(169,400)	492,301
-	-	1,550
750,505	-	750,505
-	-	(750,505)
-	76,465	76,465
750,505	76,465	78,015
(425,835)	(92,935)	570,316
1,796,549	558,874	6,522,596
1,370,714	465,939	7,092,912

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, 2008

Net change in fund balances - Total governmental funds (page 25) \$ 570,316

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	\$ 602,153	
Capital assets contributed by the Iowa Department of Transportation	1,785,146	
Depreciation expense	<u>(1,878,979)</u>	508,320

In the Statement of Activities, the gain on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources. (378)

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	103,610	
Other	<u>(168,812)</u>	(65,202)

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 repayments exceeded issuances, as follows:

Issued	(76,465)	
Repaid	<u>365,101</u>	288,636

Compensated absences payable 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. (53,826)

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 change in net assets of the Internal Service Fund is reported with governmental activities. 647,855

Change in net assets of governmental activities (page 19) \$ 1,895,721

See notes to financial statements.

Clinton County
Statement of Net Assets
Proprietary Funds
June 30, 2008

	Business Type Activities	Governmental Activities
	Enterprise - Rock Creek Marina	Internal Service - Employee Group Health
Assets		
Cash and cash equivalents	\$ 3,282	1,981,351
Accounts receivable	1,627	62,179
Capital assets, net of accumulated depreciation	145,199	-
Total assets	150,108	2,043,530
Liabilities		
Accounts payable	5,606	265,000
Salaries and benefits payable	3,232	-
Compensated absences	7,830	-
Total liabilities	16,668	265,000
Net Assets		
Invested in capital assets	145,198	-
Unrestricted	(11,758)	1,778,530
Total net assets	133,440	1,778,530
Adjustment to reflect the consolidation of Internal Service Fund activities related to the Enterprise Fund	9,822	
Net assets of business type activities	\$ 143,262	

See notes to financial statements.

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

Year ended June 30, 2008

	Business Type Activities	Governmental Activities
	Enterprise - Rock Creek Marina	Internal Service - Employee Group Health
Operating revenues:		
Reimbursements from operating funds	\$ -	2,579,692
Reimbursements from employees and others		261,815
Stop loss insurance recoveries	-	464,464
Camping fees	52,766	-
Boat rental fees	4,596	-
Other recreational fees	26,583	-
Concession sales	29,503	-
Miscellaneous	7,276	85
Total operating revenues	120,724	3,306,056
Operating expenses:		
Administrative fees	-	289,348
Medical and health services	-	2,406,737
Salaries	56,258	-
Employee benefits	22,030	-
Supplies	28,165	-
Utilities	13,188	-
Repair and improvements	16,023	-
Depreciation	17,022	-
Miscellaneous	484	3,013
Total operating expenses	153,170	2,699,098
Operating income (loss)	(32,446)	606,958
Non-operating revenues:		
Interest income	-	44,697
Income before capital contributions	(32,446)	651,655
Capital contributions	10,000	-
Increase (decrease) in net assets	(22,446)	651,655
Net assets beginning of year	155,886	1,126,875
Net assets end of year	133,440	1,778,530
Adjustment to reflect the consolidation of Internal Service Fund activities related to the Enterprise Fund	9,822	
Net assets of business type activities	\$ 143,262	

See notes to financial statements.

Clinton County
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2008

	Business Type Activities	Governmental Activities
	Enterprise - Rock Creek Marina	Internal Service - Employee Group Health
Cash flows from operating activities:		
Cash received from operating funds	\$ -	2,579,691
Cash received from employees and others	-	261,900
Cash received from stop loss insurance recoveries	-	453,624
Cash received from camping fees	61,178	-
Cash received from boat rental fees	5,351	-
Cash received from other recreational fees	25,851	-
Cash received from concession sales	33,054	-
Cash received from miscellaneous operations	8,751	-
Cash paid for administrative fees	-	(289,347)
Cash paid to employees for services	(77,488)	-
Cash paid to suppliers for services	(66,237)	(2,379,750)
Net cash provided by (used for) operating activities	<u>(9,540)</u>	<u>626,118</u>
Cash flows from investing activities:		
Interest on investments	-	44,697
Cash flows from financing activities:		
Acquisition of capital assets	<u>(5,095)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(14,635)	670,815
Cash and cash equivalents beginning of year	<u>17,917</u>	<u>1,310,536</u>
Cash and cash equivalents end of year	<u>\$ 3,282</u>	<u>1,981,351</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	<u>\$ (32,446)</u>	<u>606,958</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	17,022	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	13,461	(10,840)
Increase (decrease) in accounts payable	(8,375)	30,000
Increase in salaries and benefits payable	923	-
(Decrease) in compensated absences	(125)	-
Total adjustments	<u>22,906</u>	<u>19,160</u>
Net cash provided by (used for) operating activities	<u>\$ (9,540)</u>	<u>626,118</u>

See notes to financial statements.

Clinton County
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2008

Assets

Cash and pooled investments:	
County Treasurer	\$ 3,937,550
Other County officials	92,455
Receivables:	
Property tax:	
Delinquent	228,853
Succeeding year	45,339,000
Accounts	2,246
Drainage assessments	37,799
Special assessments	503,726
Total assets	<u>50,141,629</u>

Liabilities

Accounts payable	196,871
Salaries and benefits payable	21,421
Due to other governments	49,823,826
Trusts payable	67,313
Compensated absences	17,502
Stamped drainage warrants payable	14,696
Total liabilities	<u>50,141,629</u>

Net assets \$ -

See notes to financial statements.

Clinton County

Notes to Financial Statements

June 30, 2008

(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.

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

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 that 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 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 three categories.

Invested in capital assets consists of capital assets, net of accumulated depreciation.

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

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

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.

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.

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

Interest and Penalty on Property Tax Receivable – Interest and penalty on property tax receivable represents the amount of interest and penalty that was due and payable but has not been collected.

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, 2008, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

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

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

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

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

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, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2008. The compensated absences liability attributable to the governmental activities will be paid primarily by the General, Mental Health, Rural Services and Secondary Roads Funds.

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.

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, 2008, disbursements exceeded the amount budgeted in the roads and transportation function and disbursements in certain departments exceeded the amounts appropriated.

(2) Cash and Pooled Investments

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

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

The County had 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, 2008 is as follows:

Receivable Fund	Payable Fund	Amount
Special Revenue: Secondary Roads	Special Revenue: Rural Services	<u>\$ 10,287</u>

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, 2008 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Special Revenue: Secondary Roads	Special Revenue: Rural Services	\$ 750,505

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, 2008 was as follows:

	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 746,133	-	-	746,133
Construction in progress	3,037,999	1,983,958	(3,084,381)	1,937,576
Total capital assets not being depreciated	<u>3,784,132</u>	<u>1,983,958</u>	<u>(3,084,381)</u>	<u>2,683,709</u>
Capital assets being depreciated:				
Buildings and improvements	8,698,676	-	-	8,698,676
Equipment and vehicles	8,408,304	543,431	(248,820)	8,702,915
Infrastructure, road network	32,925,532	3,084,381	-	36,009,913
Total capital assets being depreciated	<u>50,032,512</u>	<u>3,627,812</u>	<u>(248,820)</u>	<u>53,411,504</u>
Less accumulated depreciation for:				
Buildings and improvements	3,094,950	167,092	-	3,262,042
Equipment and vehicles	3,598,860	599,512	(108,351)	4,090,021
Infrastructure, road network	13,001,190	1,112,375	-	14,113,565
Total accumulated depreciation	<u>19,695,000</u>	<u>1,878,979</u>	<u>(108,351)</u>	<u>21,465,628</u>
Total capital assets being depreciated, net	<u>30,337,511</u>	<u>1,748,833</u>	<u>(140,469)</u>	<u>31,945,876</u>
Governmental activities capital assets, net	<u>\$ 34,121,642</u>	<u>3,732,791</u>	<u>(3,224,850)</u>	<u>34,629,585</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 101,749
Physical health and social services	5,329
Mental health	18,707
County environment and education	49,655
Roads and transportation	1,437,027
Governmental services to residents	86,637
Administration	<u>179,875</u>
Total depreciation expense - governmental activities	<u>\$ 1,878,979</u>

Business type activities capital assets activity for the year ended June 30, 2008 was as follows:

	Balance Beginning of Year	Increases	Balance End of Year
Business type activities:			
Capital assets being depreciated:			
Buildings	\$ 183,760	-	183,760
Equipment	90,641	15,095	105,736
Infrastructure	59,211	-	59,211
Total capital assets being depreciated	<u>333,612</u>	<u>15,095</u>	<u>348,707</u>
Less accumulated depreciation for:			
Buildings	73,837	7,618	81,455
Equipment	74,710	4,817	79,527
Infrastructure	37,939	4,587	42,526
Total accumulated depreciation	<u>186,486</u>	<u>17,022</u>	<u>203,508</u>
Business type activities capital assets, net	<u>\$ 147,126</u>	<u>(1,927)</u>	<u>145,199</u>
Total depreciation expense - business type activities			<u>\$ 17,022</u>

(6) Due to Other Governments

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

Fund	Description	Amount
General	Services	\$ 85,607
Special Revenue:		
Mental Health	Services	789,842
Secondary Roads	Services	294
Miscellaneous Grants	Services	800
Total for governmental funds		<u>\$ 876,543</u>
Agency:		
County Assessor	Collections	\$ 701,065
City Assessor		1,378,495
Schools		24,058,960
Community Colleges		1,001,024
Corporations		19,066,442
Townships		349,495
Auto License and Use Tax		789,295
All other		2,479,050
Total for agency funds		<u>\$ 49,823,826</u>

(7) Long-Term Liabilities

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

	Drainage Warrants	Compen- sated Absences	Total
Balance beginning of year	\$ 492,141	561,637	1,053,778
Increases	76,465	477,762	554,227
Decreases	365,101	423,936	789,037
Balance end of year	\$ 203,505	615,463	818,968
Due within one year	\$ 133,503	412,360	545,863

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

	Compen- sated Absences
Balance beginning of year	\$ 7,955
Increases	2,543
Decreases	2,668
Balance end of year	\$ 7,830
Due within one year	\$ 7,830

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 3.90% of their annual covered salary and the County is required to contribute 6.05% 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, 2008, 2007 and 2006 were \$483,247, \$464,434 and \$448,654, respectively, equal to the required contributions for each year.

(9) Risk Management

Clinton 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 with over 563 members from 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 and inland marine. There have been no reductions in insurance coverage from prior years.

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

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

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's contributions to the Pool for the year ended June 30, 2008 were \$225,833.

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 the aggregate per year. For members requiring specific coverage from \$3,000,000 to \$10,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$100,000 each occurrence, each location, with excess coverage reinsured on an individual-member basis.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event 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, 2008, no liability has been recorded in the County's financial statements. As of June 30, 2008, settled claims have not exceeded the risk pool or reinsurance coverage since the pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all claims and 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 capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its capital contributions. However, the refund is reduced by an amount equal to the annual operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

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

(10) 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 Select Benefit 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 Gallagher Bassett Services, Inc. from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2008 was \$2,579,692.

Amounts payable from the Employee Group Health Fund at June 30, 2008 total \$265,000, 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 \$1,778,530 at June 30, 2008 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	\$ 235,000
Total incurred claims	2,406,737
Total payments	<u>(2,376,737)</u>
Unpaid claims end of year	<u><u>\$ 265,000</u></u>

(11) Litigation

The County is a defendant in a legal matter regarding property valuation. The probability and amount of loss, if any, is undeterminable.

(12) Deficit Balance

The Special Revenue, Miscellaneous Grants Fund had a deficit balance of \$6,642 at June 30, 2008. The deficit balance was caused by a duplicate payment of \$10,165 to the Clinton County Substance Abuse Council. Action has been taken to recover the overpayment.

Clinton County

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, 2008

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	\$ 13,913,916	-	13,913,916
Interest and penalty on property tax	189,576	-	189,576
Intergovernmental	10,887,730	-	10,887,730
Licenses and permits	100,548	-	100,548
Charges for service	1,079,674	-	1,079,674
Use of money and property	446,403	648	445,755
Miscellaneous	461,250	291,574	169,676
Total receipts	<u>27,079,097</u>	<u>292,222</u>	<u>26,786,875</u>
Disbursements:			
Public safety and legal services	5,683,328	-	5,683,328
Physical health and social services	1,391,998	-	1,391,998
Mental health	8,665,687	-	8,665,687
County environment and education	1,542,540	76,465	1,466,075
Roads and transportation	5,215,168	-	5,215,168
Governmental services to residents	981,383	-	981,383
Administration	2,627,144	-	2,627,144
Non-program	122,256	-	122,256
Debt service	375,174	375,174	-
Capital projects	236,877	-	236,877
Total disbursements	<u>26,841,555</u>	<u>451,639</u>	<u>26,389,916</u>
Excess (deficiency) of receipts over (under) disbursements	237,542	(159,417)	396,959
Other financing sources, net	77,891	76,465	1,426
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	315,433	(82,952)	398,385
Balance beginning of year	7,543,366	103,165	7,440,201
Balance end of year	<u>\$ 7,858,799</u>	<u>20,213</u>	<u>7,838,586</u>

See accompanying independent auditor's report.

Budgeted Amounts		Final to Net Variance
Original	Final	
14,041,158	13,855,027	58,889
117,000	117,000	72,576
10,290,675	10,664,848	222,882
67,512	80,512	20,036
926,970	927,406	152,268
294,506	294,506	151,249
55,825	57,085	112,591
<u>25,793,646</u>	<u>25,996,384</u>	<u>790,491</u>
6,055,553	6,123,053	439,725
1,469,316	1,609,316	217,318
8,761,730	8,761,730	96,043
1,449,650	1,547,301	81,226
4,413,765	4,969,765	(245,403)
1,142,879	1,134,879	153,496
2,902,638	2,952,638	325,494
42,000	363,698	241,442
-	-	-
415,196	484,325	247,448
<u>26,652,727</u>	<u>27,946,705</u>	<u>1,556,789</u>
(859,081)	(1,950,321)	2,347,280
-	-	1,426
(859,081)	(1,950,321)	2,348,706
<u>5,724,316</u>	<u>7,342,983</u>	<u>97,218</u>
<u>4,865,235</u>	<u>5,392,662</u>	<u>2,445,924</u>

Clinton County
 Budgetary Comparison Schedule - Budget to GAAP Reconciliation
 Required Supplementary Information
 Year ended June 30, 2008

	Governmental Funds		
	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis
Revenues	\$ 27,079,097	70,853	27,149,950
Expenditures	26,841,555	(183,906)	26,657,649
Net	237,542	254,759	492,301
Other financing sources, net	77,891	124	78,015
Beginning fund balances	7,543,366	(1,020,770)	6,522,596
Ending fund balances	<u>\$ 7,858,799</u>	<u>(765,887)</u>	<u>7,092,912</u>

See accompanying independent auditor's report.

Clinton County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2008

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

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except blended component units, 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 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, three budget amendments increased budgeted disbursements by \$1,293,978. 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, 2008, disbursements exceeded the amount budgeted in the roads and transportation function and disbursements in certain departments exceeded the amounts appropriated.

Clinton County

Other Supplementary Information

Clinton County
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2008

	Resource Enhancement and Protection	County Recorder's Records Management	Public Safety Special	Commissary	Special Seized Property
Assets					
Cash and pooled investments	\$ 46,966	71,716	54,454	16,445	14,518
Receivables:					
Accounts	-	-	156	881	7
Accrued interest	-	-	-	-	-
Drainage assessments:					
Delinquent	-	-	-	-	-
Succeeding year	-	-	-	-	-
Due from other governments	-	-	1,418	-	-
Total assets	\$ 46,966	71,716	56,028	17,326	14,525
Liabilities and Fund Equity					
Liabilities:					
Accounts payable	\$ 621	-	-	147	2,940
Due to other governments	-	-	-	-	-
Deferred revenue:					
Other	-	-	-	-	-
Total liabilities	621	-	-	147	2,940
Fund equity:					
Fund balances:					
Reserved for Vietnam Veterans Memorial	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	46,345	71,716	56,028	17,179	11,585
Permanent fund	-	-	-	-	-
Total fund equity	46,345	71,716	56,028	17,179	11,585
Total liabilities and fund equity	\$ 46,966	71,716	56,028	17,326	14,525

See accompanying independent auditor's report.

Revenue						Permanent		
Communi- cations Special	Miscel- laneous Grants	Drainage Districts	Conservation Land Acquisition	Veterans Memorial	County Recorder's Electronic Transaction Fee	Vietnam Veterans Trust		Total
116,770	348	20,213	116,773	4,904	336	11,130		474,573
-	-	13	-	-	-	-		1,057
-	-	-	-	-	-	12		12
-	-	133,503	-	-	-	-		133,503
-	-	59,388	-	-	-	-		59,388
-	6,021	-	-	-	-	-		7,439
116,770	6,369	213,117	116,773	4,904	336	11,142		675,972
-	12,211	-	423	-	-	-		16,342
-	800	-	-	-	-	-		800
-	-	192,891	-	-	-	-		192,891
-	13,011	192,891	423	-	-	-		210,033
-	-	-	-	-	-	5,000		5,000
116,770	(6,642)	20,226	116,350	4,904	336	-		454,797
-	-	-	-	-	-	6,142		6,142
116,770	(6,642)	20,226	116,350	4,904	336	11,142		465,939
116,770	6,369	213,117	116,773	4,904	336	11,142		675,972

Clinton County

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

Year ended June 30, 2008

	Resource Enhancement and Protection	County Recorder's Records Management	Public Safety Special	Commissary	Special Seized Property
Revenues:					
Intergovernmental	\$ 31,534	-	-	-	-
Charges for service	-	10,865	-	-	-
Use of money and property	330	691	23,000	12,320	-
Miscellaneous	-	-	-	-	8,550
Total revenues	31,864	11,556	23,000	12,320	8,550
Expenditures:					
Operating:					
Public safety and legal services	-	-	12,505	17,631	9,846
County environment and education	11,129	-	-	-	-
Governmental services to residents Non-program	-	15,427	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Total expenditures	11,129	15,427	12,505	17,631	9,846
Excess (deficiency) of revenues over (under) expenditures	20,735	(3,871)	10,495	(5,311)	(1,296)
Other financing sources:					
Drainage warrants issued	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures	20,735	(3,871)	10,495	(5,311)	(1,296)
Fund balances beginning of year	25,610	75,587	45,533	22,490	12,881
Fund balances end of year	\$ 46,345	71,716	56,028	17,179	11,585

See accompanying independent auditor's report.

Revenue							Permanent	
Communi- cations Special	Miscel- laneous Grants	Drainage Districts	Conservation Land Acquisition	Veterans Memorial	County Recorder's Electronic Transaction Fee	Vietnam Veterans Trust	Total	
-	83,789	-	-	-	-	-	115,323	
5,760	-	-	1,124	-	-	-	17,749	
-	-	661	-	31	-	286	37,319	
-	-	291,574	-	-	-	-	300,124	
5,760	83,789	292,235	1,124	31	-	286	470,515	
-	-	-	-	-	-	-	39,982	
-	-	76,465	-	-	-	-	87,594	
-	-	-	-	-	-	-	15,427	
-	106,136	-	-	-	-	-	106,136	
-	-	375,174	-	-	-	-	375,174	
-	-	-	15,602	-	-	-	15,602	
-	106,136	451,639	15,602	-	-	-	639,915	
5,760	(22,347)	(159,404)	(14,478)	31	-	286	(169,400)	
-	-	76,465	-	-	-	-	76,465	
5,760	(22,347)	(82,939)	(14,478)	31	-	286	(92,935)	
111,010	15,705	103,165	130,828	4,873	336	10,856	558,874	
116,770	(6,642)	20,226	116,350	4,904	336	11,142	465,939	

Clinton County
Combining Schedule of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2008

	County Offices	Agricultural Extension Education	County Assessor	City Assessor	Schools	Community Colleges
Assets						
Cash and pooled investments:						
County Treasurer	\$ -	-	364,091	904,944	-	-
Other County officials	92,455	-	-	-	-	-
Receivables:						
Property tax:						
Delinquent	-	1,116	1,225	3,563	123,960	5,024
Succeeding year	-	221,000	353,000	506,000	23,935,000	996,000
Accounts	2,191	-	-	-	-	-
Drainage assessments	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Total assets	\$ 94,646	222,116	718,316	1,414,507	24,058,960	1,001,024
Liabilities						
Accounts payable	\$ -	-	742	19,830	-	-
Salaries and benefits payable	-	-	8,093	7,493	-	-
Due to other governments	27,333	222,116	701,065	1,378,494	24,058,960	1,001,024
Trusts payable	67,313	-	-	-	-	-
Compensated absences	-	-	8,416	8,690	-	-
Stamped drainage warrants payable	-	-	-	-	-	-
Total liabilities	\$ 94,646	222,116	718,316	1,414,507	24,058,960	1,001,024

See accompanying independent auditor's report.

Corporations	Townships	Special Assessments	Auto License and Use Tax	E911 Service Board	Drainage Districts	Other	Total
-	-	-	789,295	624,961	5,332	1,248,927	3,937,550
-	-	-	-	-	-	-	92,455
92,442	1,495	-	-	-	-	28	228,853
18,974,000	348,000	-	-	-	-	6,000	45,339,000
-	-	-	-	-	5	50	2,246
-	-	-	-	-	37,799	-	37,799
-	-	503,726	-	-	-	-	503,726
19,066,442	349,495	503,726	789,295	624,961	43,136	1,255,005	50,141,629
-	-	-	-	3,555	-	172,744	196,871
-	-	-	-	-	-	5,835	21,421
19,066,442	349,495	503,726	789,295	621,406	28,440	1,076,030	49,823,826
-	-	-	-	-	-	-	67,313
-	-	-	-	-	-	396	17,502
-	-	-	-	-	14,696	-	14,696
19,066,442	349,495	503,726	789,295	624,961	43,136	1,255,005	50,141,629

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

Year ended June 30, 2008

	County Offices	Agricultural Extension Education	County Assessor	City Assessor	Schools	Community Colleges
Assets and Liabilities						
Balances beginning of year	\$ 101,295	218,964	649,997	1,200,390	23,818,789	989,166
Additions:						
Property and other county tax	706,797	222,048	352,642	516,388	24,002,435	998,394
E911 surcharge	-	-	-	-	-	-
State tax credits	-	9,971	17,631	19,969	1,066,410	44,932
Office fees and collections	166,941	-	4,003	5,472	-	-
Auto licenses, use tax and postage	-	-	-	-	-	-
Assessments	-	-	-	-	-	-
Trusts	724,910	-	-	-	-	-
Miscellaneous	-	-	-	-	16,669	-
Total additions	<u>1,598,648</u>	<u>232,019</u>	<u>374,276</u>	<u>541,829</u>	<u>25,085,514</u>	<u>1,043,326</u>
Deductions:						
Agency remittances:						
To other funds	518,561	-	-	-	-	-
To other governments	381,644	228,867	305,957	327,712	24,845,343	1,031,468
Trusts paid out	705,092	-	-	-	-	-
Total deductions	<u>1,605,297</u>	<u>228,867</u>	<u>305,957</u>	<u>327,712</u>	<u>24,845,343</u>	<u>1,031,468</u>
Balances end of year	<u>\$ 94,646</u>	<u>222,116</u>	<u>718,316</u>	<u>1,414,507</u>	<u>24,058,960</u>	<u>1,001,024</u>

See accompanying independent auditor's report.

Corpora- tions	Townships	Special Assess- ments	Auto License and Use Tax	E911 Service Board	Drainage Districts	Other	Total
18,388,711	364,845	193,000	805,926	686,543	26,617	1,434,211	48,878,454
18,997,244	342,410	-	-	-	-	2,477,037	48,615,395
-	-	-	-	227,036	-	-	227,036
669,425	19,332	-	-	-	-	258	1,847,928
-	-	-	-	-	-	12,351	188,767
-	-	-	9,606,326	-	-	-	9,606,326
-	-	492,464	-	-	4,930	-	497,394
-	-	-	-	-	-	-	724,910
-	5,102	-	-	-	-	8,458,256	8,480,027
19,666,669	366,844	492,464	9,606,326	227,036	4,930	10,947,902	70,187,783
-	-	-	324,545	-	-	-	843,106
18,988,938	382,194	181,738	9,298,412	288,618	3,107	3,938,858	60,202,856
-	-	-	-	-	-	7,188,250	7,893,342
18,988,938	382,194	181,738	9,622,957	288,618	3,107	11,127,108	68,939,304
19,066,442	349,495	503,726	789,295	624,961	28,440	1,255,005	50,126,933

Clinton County

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

For the Last Eight Years

	2008	2007	2006	Modified 2005
Revenues:				
Property and other county tax	\$ 13,960,603	13,391,828	12,083,131	11,803,974
Interest and penalty on property tax	175,190	144,441	149,590	141,399
Intergovernmental	10,954,929	10,339,027	10,154,334	9,633,194
Licenses and permits	100,548	68,677	68,648	70,707
Charges for service	1,041,896	1,121,830	1,090,334	1,022,569
Use of money and property	481,374	439,454	306,207	290,174
Fines, forfeitures and defaults	-	-	-	-
Miscellaneous	435,410	357,352	166,449	144,475
Total	\$ 27,149,950	25,862,609	24,018,693	23,106,492
Expenditures:				
Operating:				
Public safety and legal services	\$ 5,698,173	5,391,799	4,936,287	4,679,136
Physical health and social services	1,370,152	1,397,848	1,388,548	1,204,231
Mental health	8,351,568	7,935,820	7,592,273	6,637,459
County environment and education	1,561,503	1,825,999	1,370,588	1,290,889
Roads and transportation	5,344,431	4,378,909	4,760,000	4,777,320
Governmental services to residents	996,106	1,204,331	995,914	865,039
Administration	2,617,109	2,453,222	2,350,649	2,437,853
Non-program	106,136	464,257	194,083	567,989
Debt service	375,174	139,031	6,131	36,319
Capital projects	237,297	361,943	757,545	1,501,840
Total	\$ 26,657,649	25,553,159	24,352,018	23,998,075

See accompanying independent auditor's report.

Accrual Basis			
2004	2003	2002	2001
10,604,529	9,923,626	9,216,528	8,660,770
136,061	126,934	140,436	122,401
8,944,998	9,223,499	8,790,077	8,305,213
72,140	60,654	54,328	57,014
1,030,033	1,048,678	995,209	907,770
301,262	376,337	579,883	1,215,019
-	-	1,542	536
356,861	135,193	107,772	184,306
<u>21,445,884</u>	<u>20,894,921</u>	<u>19,885,775</u>	<u>19,453,029</u>
5,130,033	5,198,361	4,962,123	4,545,327
1,262,023	1,341,749	1,313,660	1,302,684
6,343,867	6,122,126	6,138,493	5,687,340
1,223,923	1,168,167	1,045,884	905,149
4,458,304	4,659,504	4,118,960	3,542,361
814,434	825,694	759,371	711,638
2,249,299	2,368,381	2,225,806	2,466,712
148,061	74,304	97,865	37,075
21,717	4,739	-	-
518,630	1,920,508	2,195,005	2,294,561
<u>22,170,291</u>	<u>23,683,533</u>	<u>22,857,167</u>	<u>21,492,847</u>

Schedule 6

Clinton County
Schedule of Expenditures of Federal Awards
Year ended June 30, 2008

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Direct:			
U.S. Department of Justice: Bulletproof Vest Partnership Program	16.607	3016158	\$ 2,025
Indirect:			
U.S. Department of Agriculture: Iowa Department of Human Services: Human Services Administrative Reimbursements: State Administrative Matching Grants for Food Stamp Program	10.561		29,347
U.S. Department of Housing and Urban Development: Iowa Department of Economic Development: Community Development Block Grants/State's Program	14.228	06-ED-016	10,000
U.S. Department of Justice: Governor's Office of Drug Control Policy: Byrne Formula Grant Program	16.579	07-JAG-C39	7,302
Byrne Formula Grant Program	16.579	07-JAG-E29	17,097
			24,399
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	07-410, Task 06	7,968
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	08-410, Task 15	14,414
			22,382
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	07-163, Task 15	1,178
U.S. Department of Health and Human Services: Iowa Department of Public Health: Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	5884WW06	525
Investigations and Technical Assistance	93.283	5884WW08	8,105
			8,630
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Program	93.919	5887NB09	30,765

Clinton County
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2008

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		31,742
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		7,706
Foster Care-Title VI-E	93.658		18,633
Adoption Assistance	93.659		4,436
Medical Assistance Program	93.778		40,496
State Children's Insurance Program	93.767		265
Social Services Block Grant	93.667		20,825
Social Services Block Grant	93.667		240,578
			<u>261,403</u>
U.S. Department of Homeland Security:			
Iowa Department of Public Defense:			
Iowa Homeland Security and Emergency Management Division:			
Disaster Grants - Public Assistance	97.036	1737	108,214
Disaster Grants - Public Assistance	97.036	1763	19,627
			<u>127,841</u>
Total indirect			<u>619,223</u>
Total			<u>\$ 621,248</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

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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, 2008, which collectively comprise the County's basic financial statements listed in the table of contents, and have issued our report thereon dated February 11, 2009. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of the internal control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Clinton County's ability to initiate, authorize, record, process or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of Clinton County's financial statements that is more than inconsequential will not be prevented or detected by Clinton County's internal control. We consider the deficiencies in internal control described in Part II of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

Compliance and Other Matters

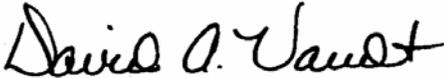
As part of obtaining reasonable assurance about whether Clinton County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material 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 that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

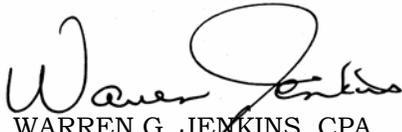
Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2008 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all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

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. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of 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 11, 2009

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

To the Officials of Clinton County:

Compliance

We have audited the compliance of Clinton County, Iowa, with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2008. 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 are applicable to each of its major federal programs for the year ended June 30, 2008.

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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. According, we do not express an opinion on the effectiveness of Clinton County's internal control over compliance.

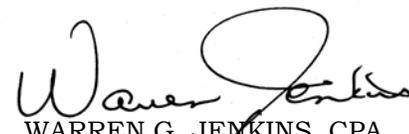
A control deficiency in the County's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the County's ability to administer a federal program such that there is more than a remote likelihood noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control.

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

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

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. This report 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 11, 2009

Clinton County

Schedule of Findings and Questioned Costs

Year ended June 30, 2008

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

- (a) Unqualified opinions were issued on the financial statements.
- (b) Significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements, none of which were considered to be material weaknesses.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over the major programs were noted.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each of the major programs.
- (f) The audit disclosed no audit findings which were 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 97.036 – Disaster Grants – Public 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, 2008

Part II: Findings Related to the Financial Statements:

SIGNIFICANT DEFICIENCIES:

II-A-08 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
(2) Bank accounts are not reconciled by an individual who does not sign checks, handle or record cash.	Conservation
(3) Bank deposits are not made timely.	Conservation
(4) There is no evidence an independent review of the bank reconciliations has occurred.	Recorder and Conservation

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. In addition bank deposits should be made timely and intact.

Responses –

Conservation – Because of the small size of this office, there is not enough employees to segregate the duties. The executive director does review deposits, but in addition will initial and date related transactions and reports as recommended. There is only one person designated to prepare deposits. The potential for delays exists if that person is gone due to illness or vacation.

County Recorder – Evidence of review will be noted on the bank reconciliation starting January 1, 2009.

Conclusions –

Conservation – Response acknowledged. Duties should be segregated to obtain the maximum internal control possible under the circumstances.

County Recorder – Response accepted.

Clinton County

Schedule of Findings and Questioned Costs

Year ended June 30, 2008

II-B-08 Disbursements – Five of thirteen grant disbursements to the Clinton Substance Abuse Council did not have supporting documentation attached to the paid claim. The supporting documentation was subsequently located in separate folders. In addition, a duplicate payment of \$10,165 was made to the Clinton County Substance Abuse Council.

Recommendation – All disbursements should be properly supported by invoices attached to the paid claim. In addition, the County should take steps to recover the duplicate payment from the Clinton County Substance Abuse Council.

Response – Supporting documentation is kept in each grant folder and is given to your office when requested. Supporting documentation is available. Action has been taken to recover the overpayment to Clinton County Substance Abuse Council. The deficit balance in the Special Revenue, Miscellaneous Grants Fund of \$6,644 is directly related to the \$10,165 overpayment to the Clinton County Substance Abuse Council.

Conclusion – Response accepted.

II-C-08 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 converted to during the current year. 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.
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 – The County has made unsuccessful attempts to request an Accounting Procedures Manual from the County's software provider. The County will continue to pursue its software vendor for said manual.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Clinton County

Schedule of Findings and Questioned Costs

Year ended June 30, 2008

Part III: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

SIGNIFICANT DEFICIENCIES:

No material weaknesses in internal control over the major programs were noted.

Clinton County

Schedule of Findings and Questioned Costs

Year ended June 30, 2008

Part IV: Other Findings Related to Required Statutory Reporting:

IV-A-08 Certified Budget – Disbursements during the year ended June 30, 2008 exceeded the amount budgeted in the roads and transportation function. Disbursements in certain departments exceeded the amounts appropriated.

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.

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 conditions reported concerning the roads and transportation function exceeding its year-ending budget. It has been found that this is an instance where a budget amendment was not filed in a timely fashion. The County accepts the recommendation to amend department budgets in a timely manner.

The County has reviewed the conditions reported concerning certain departments exceeding their year ending budget. In each instance, it was found that budget amendments were not filed in a timely fashion. 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-08 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-08 Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

IV-D-08 Business Transactions – No business transactions between the County and County officials or employees were noted.

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

Although minutes of Board proceedings were published, they were not published within the time period required by Chapter 349.18 of the Code of Iowa.

Clinton County

Schedule of Findings and Questioned Costs

Year ended June 30, 2008

Recommendation – The County should ensure the minutes are published timely, as required.

Response – The Clinton County Auditor’s Office is aware of Chapter 349.18(3) which requires the County Auditor to furnish a copy of the Board proceedings to be published within one week following the adjournment of the Board. The Clinton County Auditor’s Office will make every effort to correct this deficiency.

Conclusion – Response accepted.

IV-G-08 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-8 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-08 County Extension Office – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an Extension Council separate and distinct from County operations and, consequently, is not included in Exhibits A or B.

Disbursements during the year ended June 30, 2008 for the County Extension Office did not exceed the amount budgeted.

Clinton County

Staff

This audit was performed by:

Joe T. Marturello, CIA, Manager
Deborah J. Moser, CPA, Manager
Daniel L. Durbin, CPA, Staff Auditor
Shannon M. Hoffman, Staff Auditor
Jenny M. Podrebarac, Staff Auditor
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Andrew E. Nielsen, CPA
Deputy Auditor of State