



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

NEWS RELEASE

FOR RELEASE

April 7, 2009

Contact: Andy Nielsen
515/281-5834

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

The County had local tax revenue of \$25,884,772 for the year ended June 30, 2008, which included \$899,355 in tax credits from the state. The County forwarded \$20,181,905 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$5,702,867 of the local tax revenue to finance County operations, a 10.9% increase over the prior year. Other revenues included charges for service of \$1,556,283, operating grants, contributions and restricted interest of \$4,155,224, capital grants, contributions and restricted interest of \$791,295, unrestricted investment earnings of \$308,583 and other general revenues of \$105,749.

Expenses for County operations totaled \$12,022,479, a 12.5% increase over the prior year. Expenses included \$4,656,597 for roads and transportation, \$2,222,874 for public safety and legal services and \$1,613,132 for mental health.

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>.

###

POWESHIEK COUNTY
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2008

Table of Contents

		<u>Page</u>
Officials		3
Independent Auditor’s Report		5-6
Management’s Discussion and Analysis		7-13
Basic Financial Statements:	<u>Exhibit</u>	
Government-wide Financial Statements:		
Statement of Net Assets	A	16
Statement of Activities	B	17
Governmental Fund Financial Statements:		
Balance Sheet	C	18-19
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Assets	D	21
Statement of Revenues, Expenditures and Changes in Fund Balances	E	22-23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	F	24
Proprietary Fund Financial Statements:		
Statement of Net Assets	G	25
Statement of Revenues, Expenses and Changes in Fund Net Assets	H	26
Statement of Cash Flows	I	27
Fiduciary Fund Financial Statement:		
Statement of Fiduciary Assets and Liabilities – Agency Funds	J	28
Notes to Financial Statements		29-41
Required Supplementary Information:		
Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances – Budget and Actual (Cash Basis) – All Governmental Funds		44
Budget to GAAP Reconciliation		45
Notes to Required Supplementary Information – Budgetary Reporting		46
Other Supplementary Information:	<u>Schedule</u>	
Nonmajor Governmental Funds:		
Combining Balance Sheet	1	48-49
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	2	50-51
Agency Funds:		
Combining Schedule of Fiduciary Assets and Liabilities	3	52-53
Combining Schedule of Changes in Fiduciary Assets and Liabilities	4	54-55
Schedule of Revenues by Source and Expenditures by Function – All Governmental Funds	5	56-57
Schedule of Expenditures of Federal Awards	6	58-59
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 <u>Government Auditing Standards</u>		61-62
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		65-66
Schedule of Findings and Questioned Costs		67-74
Staff		75

Poweshiek County

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Doug Shutts	Board of Supervisors	Jan 2009
Ellie Snook	Board of Supervisors	Jan 2011
Lamoyne Gaard	Board of Supervisors	Jan 2011
Diana Dawley (Appointed)	County Auditor	Nov 2008
Lana Taylor	County Treasurer	Jan 2011
Beverly Malloy	County Recorder	Jan 2011
Thomas B. Sheets	County Sheriff	Jan 2009
Michael W. Mahaffey	County Attorney	Jan 2011
Margaret Hutchinson	County Assessor	Jan 2010

Poweshiek County



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

Independent Auditor's Report

To the Officials of Poweshiek County:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Poweshiek 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 Poweshiek County's management. Our responsibility is to express opinions on these financial statements based on our audit.

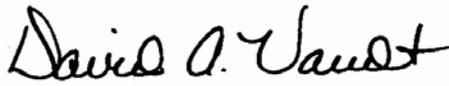
We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Poweshiek 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 March 13, 2009 on our consideration of Poweshiek 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 44 through 46 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 Poweshiek 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 four years ended June 30, 2007 (which are not presented herein) and expressed unqualified opinions on those financial statements. We also previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2003 (which are not presented herein) and expressed qualified opinions on those financial statements due to the omission of general fixed assets or capital assets and supplies inventory for the Secondary Roads Fund. 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

March 13, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

Poweshiek 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 9.8%, or approximately \$1,100,000, from fiscal year 2007 to fiscal year 2008. Charges for service increased approximately \$415,000 and property tax increased approximately \$618,000.
- Program expenses of the County's governmental activities increased 12.5%, or approximately \$1,337,000, from fiscal year 2007 to fiscal year 2008. Public safety and legal services expenses increased approximately \$357,000, physical health and social services expenses increased approximately \$81,000, mental health expenses increased approximately \$102,000 and roads and transportation expenses increased approximately \$432,000.
- The County's net assets increased 3.7%, or approximately \$598,000, 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 Poweshiek 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 Poweshiek 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 Poweshiek 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 funds and the individual Agency Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various programs benefiting the County.

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

The County has three kinds of funds:

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

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of financial position. The analysis that follows focuses on the changes in the net assets of governmental activities.

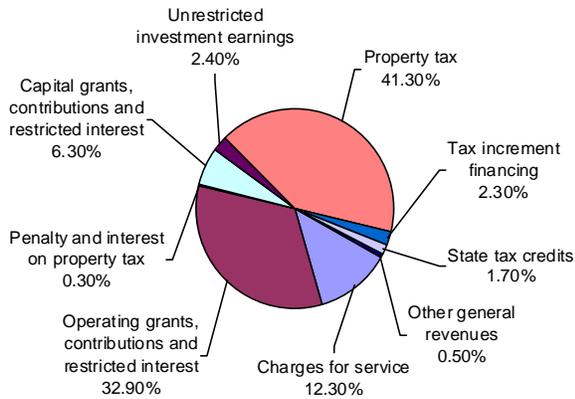
Net Assets of Governmental Activities (Expressed in Thousands)		
	June 30,	
	2008	2007
Current and other assets	\$ 12,862	13,104
Capital assets	10,830	9,761
Total assets	23,692	22,865
Long-term liabilities	706	911
Other liabilities	6,307	5,872
Total liabilities	7,013	6,783
Net assets:		
Invested in capital assets, net of related debt	10,787	9,571
Restricted	3,494	3,872
Unrestricted	2,398	2,639
Total net assets	\$ 16,679	16,082

Net assets of Poweshiek County's governmental activities increased approximately \$597,000, or 3.7%. A large portion of the County's net assets is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. Restricted net assets represent resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements—decreased from \$2,638,846 at June 30, 2007 to \$2,398,354 at the end of this year, a decrease of 9.1%.

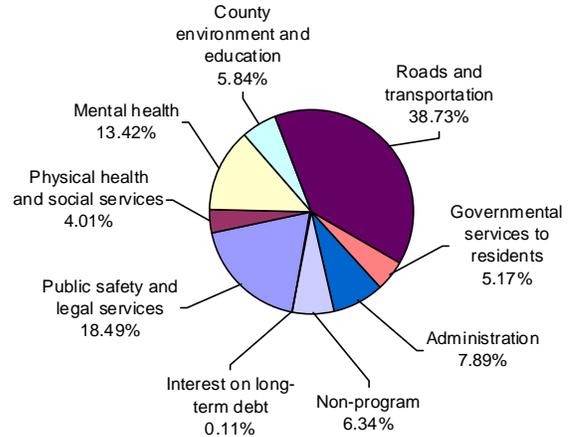
Changes in Net Assets of Governmental Activities
(Expressed in Thousands)

	Year ended June 30,	
	2008	2007
Revenues:		
Program revenues:		
Charges for service	\$ 1,556	1,141
Operating grants, contributions and restricted interest	4,155	4,208
Capital grants, contributions and restricted interest	791	395
General revenues:		
Property tax	5,195	4,577
Tax increment financing	291	352
Penalty and interest on property tax	39	31
State tax credits	217	212
Unrestricted investment earnings	309	361
Other general revenues	67	220
Total revenues	12,620	11,497
Program expenses:		
Public safety and legal services	2,223	1,866
Physical health and social services	482	401
Mental health	1,613	1,511
County environment and education	702	640
Roads and transportation	4,657	4,225
Governmental services to residents	622	546
Administration	949	973
Non-program	762	509
Interest on long-term debt	13	15
Total expenses	12,023	10,686
Increase in net assets	597	811
Net assets beginning of year, as restated	16,082	15,271
Net assets end of year	\$ 16,679	16,082

Revenues by Source



Expenses by Program



The County increased property tax rates for 2008 by an average of 9.1%. This increase raised the County's property and other County tax revenue approximately \$618,000 in 2008. County wide taxable valuations in Poweshiek County have fluctuated as follows: from \$743,289,976 in FY06, to \$746,571,676 in FY07 and \$765,110,773 in FY08. Based on fluctuations in the total assessed valuation and a decrease in FY09 property tax rates, property tax revenue is budgeted to increase an additional \$1,200 next year.

The increase in charges for service is related to additional funding of \$176,790 received in forfeiture proceeds.

INDIVIDUAL MAJOR FUND ANALYSIS

As Poweshiek County completed the year, its governmental funds reported a combined fund balance of approximately \$6.1 million, a decrease of approximately \$731,000 from last year's total of approximately \$6.8 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues increased approximately \$403,000 compared to the prior year, mostly due to an approximately \$357,000 increase in property tax revenues. Expenditures increased approximately \$353,000. Public safety and legal services expenditures increased approximately \$312,000 because 25% of the budgeted sheriff deputy salaries were paid out of the General Fund in FY08 instead of the Rural Services Fund. The ending fund balance decreased approximately \$392,000 from the prior year to approximately \$1,807,000.
- The County has continued to look for ways to effectively manage the cost of mental health services. Mental Health Fund revenues totaled approximately \$1,320,000, a decrease of 28.6% from the prior year. During FY07, the County received an additional \$233,000 in mental health funding for the allowable growth factor and community service allocations. Expenditures remained consistent when compared to the prior year. The Mental Health Fund balance at year end decreased from the prior year to approximately \$154,000.
- Rural Services Fund revenues and expenditures remained consistent when compared to the prior year. The Rural Services Fund ending fund balance increased approximately \$180,000 over the prior year to approximately \$466,000.
- Secondary Roads Fund revenues increased approximately \$208,000 over the prior year, due principally to an increase in BROS grant funding. In FY08, Poweshiek County had 1 BROS funded project. Expenditures remained consistent when compared to the prior year. The Secondary Roads Fund ending fund balance decreased approximately \$449,000 from the prior year to approximately \$1,713,000.

BUDGETARY HIGHLIGHTS

Over the course of the year, Poweshiek County amended its budget three times. The first amendment was made in March 2008 and resulted in an increase in budgeted disbursements related to public safety and legal services, physical health and social services, county environment and education and debt service. This amendment was made to provide for additional disbursements in the above referenced functions. The second amendment was made in May 2008. This amendment was made to capital projects. This amendment was made to provide for disbursements related to the construction of a new law enforcement center. The third amendment was also made in May 2008 and resulted in an increase in budgeted disbursements related to public safety and legal services and nonprogram current. This amendment was made to provide for additional disbursements in the above referenced functions.

The County's receipts were \$921,438 less than budgeted, a variance of 7.7%. The most significant variance resulted from the County receiving less state funding for mental health than anticipated.

Total disbursements were \$2,808,639 less than the amended budget. Actual disbursements for the capital projects, roads and transportation and administration functions were \$1,676,582, \$278,871 and \$246,560, respectively, less than budgeted. This was primarily due to the County starting only one new capital project during FY08.

The County did not exceed the budgeted amounts by function for the year ended June 30, 2008.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2008, Poweshiek County had approximately \$10.8 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges.

Capital Assets of Governmental Activities at Year End (Expressed in Thousands)		
	June 30,	
	2008	2007
Land	\$ 1,386	1,286
Construction in progress	1,359	156
Buildings and improvements	874	864
Equipment and vehicles	2,070	2,257
Infrastructure	5,141	5,198
Total	<u>\$ 10,830</u>	<u>9,761</u>

The County had depreciation expense of \$620,488 in FY08 and total accumulated depreciation of \$5,323,360 at June 30, 2008. Capital assets, net of accumulated depreciation, increased approximately \$1,069, during the year. More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

Long-Term Debt

At June 30, 2008, Poweshiek County had approximately \$109,000 in debt outstanding, compared to approximately \$325,000 at June 30, 2007. Additional information about the County's long-term debt is presented in Note 6 to the financial statements.

Outstanding Debt of Governmental Activities at Year End (Expressed in Thousands)		
	June 30,	
	2008	2007
General obligation notes	\$ 84	275
General obligation capital loan notes	25	50
Total	<u>\$ 109</u>	<u>325</u>

Debt decreased when the County retired \$215,862 of general obligation notes and general obligation capital loan notes.

The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County. The County's outstanding general obligation debt of approximately \$109,000 is well below its constitutional debt limit of \$61 million.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Poweshiek County's elected and appointed officials considered many factors when setting the FY09 budget, tax rates and fees charged for various county activities. The Poweshiek County Board of Supervisors is committed to limiting expenditure increases and reducing funding to non-mandated programs to provide services for the citizens of Poweshiek County. The FY09 County wide property tax rate is \$7.83893 per \$1,000 of taxable valuation, a decrease of \$.65431 from FY08. Poweshiek County will fund capital projects for road improvements, a new playground and campground at Diamond Lake Park, expenditures for joint dispatch and a new public safety building. These factors, along with increased wage adjustments for union and pay-plan employees, represent the largest portion of the increased expenditures. The FY09 ending fund balance will decrease to approximately \$1,420,000 in the General Fund.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Poweshiek 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 Poweshiek County Auditor's Office, 302 East Main Street, Montezuma, Iowa 50171-0314.

Poweshiek County

Basic Financial Statements

Poweshiek County
Statement of Net Assets
June 30, 2008

	<u>Governmental Activities</u>
Assets	
Cash and pooled investments	\$ 6,052,464
Receivables:	
Property tax:	
Delinquent	3,139
Succeeding year	5,565,000
Interest and penalty on property tax	1,461
Accounts	16,629
Accrued interest	76,255
Due from other governments	604,607
Inventories	450,441
Prepaid insurance	92,338
Capital assets (net of accumulated depreciation)	10,830,088
Total assets	<u>23,692,422</u>
Liabilities	
Accounts payable	584,332
Salaries and benefits payable	74,760
Due to other governments	82,750
Deferred revenue:	
Succeeding year property tax	5,565,000
Long-term liabilities:	
Portion due or payable within one year:	
General obligation capital loan notes payable	25,000
General obligation notes payable	84,223
Compensated absences	167,223
Portion due or payable after one year:	
Compensated absences	54,941
Landfill postclosure care	375,000
Total liabilities	<u>7,013,229</u>
Net Assets	
Invested in capital assets, net of related debt	10,787,014
Restricted for:	
Supplemental levy purposes	120,331
Mental health purposes	148,503
Secondary roads purposes	1,723,864
Capital projects	15,155
Other purposes	1,485,972
Unrestricted	2,398,354
Total net assets	<u>\$ 16,679,193</u>

See notes to financial statements.

Poweshiek County
 Statement of Activities
 Year ended June 30, 2008

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
Functions/Programs:					
Governmental activities:					
Public safety and legal services	\$ 2,222,874	503,322	198,021	-	(1,521,531)
Physical health and social services	481,960	40,423	158,122	-	(283,415)
Mental health	1,613,132	-	869,916	-	(743,216)
County environment and education	701,822	47,511	63,844	69,600	(520,867)
Roads and transportation	4,656,597	69,282	2,758,610	721,695	(1,107,010)
Governmental services to residents	622,379	349,511	103,283	-	(169,585)
Administration	949,484	6,736	-	-	(942,748)
Non-program	761,469	539,498	-	-	(221,971)
Interest on long-term debt	12,762	-	3,428	-	(9,334)
Total	\$ 12,022,479	1,556,283	4,155,224	791,295	(5,519,677)
General Revenues:					
Property and other county tax levied for:					
General purposes					5,000,992
Debt service					194,112
Tax increment financing					290,679
Penalty and interest on property tax					38,573
State tax credits					217,084
Unrestricted investment earnings					308,583
Gain on disposition of capital assets					1,268
Miscellaneous					65,908
Total general revenues					6,117,199
Change in net assets					597,522
Net assets beginning of year					16,081,671
Net assets end of year					\$ 16,679,193

See notes to financial statements.

Poweshiek County
Balance Sheet
Governmental Funds

June 30, 2008

	General	Special Revenue	
		Mental Health	Rural Services
Assets			
Cash and pooled investments	\$ 1,707,991	279,269	458,813
Receivables:			
Property tax:			
Delinquent	1,556	239	1,246
Succeeding year	2,760,000	424,000	1,777,000
Interest and penalty on property tax	1,461	-	-
Accounts	3,540	269	800
Accrued interest	75,734	-	-
Due from other governments	129,958	-	16,332
Inventories	-	-	-
Prepaid insurance	37,735	-	13,825
Advance to Internal Service Fund	100,000	-	-
Total assets	\$ 4,817,975	703,777	2,268,016
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 198,603	52,753	4,643
Salaries and benefits payable	24,262	3,390	19,352
Due to other governments	12,947	69,625	50
Deferred revenue:			
Succeeding year property tax	2,760,000	424,000	1,777,000
Other	14,911	239	1,246
Total liabilities	3,010,723	550,007	1,802,291
Fund balances:			
Reserved for:			
Supplemental levy purposes	120,331	-	-
Debt service	-	-	-
Advance to Internal Service Fund	100,000	-	-
Unreserved, reported in:			
General fund	1,586,921	-	-
Special revenue funds:			
Designated for postclosure care	-	-	-
Undesignated	-	153,770	465,725
Capital projects fund	-	-	-
Total fund balances	1,807,252	153,770	465,725
Total liabilities and fund balances	\$ 4,817,975	703,777	2,268,016

See notes to financial statements.

Secondary Roads	Nonmajor	Total
1,050,476	1,984,561	5,481,110
-	98	3,139
-	604,000	5,565,000
-	-	1,461
12,020	-	16,629
-	521	76,255
456,799	1,518	604,607
450,441	-	450,441
40,778	-	92,338
-	-	100,000
<u>2,010,514</u>	<u>2,590,698</u>	<u>12,390,980</u>
150,153	58,180	464,332
27,756	-	74,760
128	-	82,750
-	604,000	5,565,000
119,377	98	135,871
<u>297,414</u>	<u>662,278</u>	<u>6,322,713</u>
-	-	120,331
-	52,293	52,293
-	-	100,000
-	-	1,586,921
-	375,000	375,000
1,713,100	1,485,972	3,818,567
-	15,155	15,155
<u>1,713,100</u>	<u>1,928,420</u>	<u>6,068,267</u>
<u>2,010,514</u>	<u>2,590,698</u>	<u>12,390,980</u>

Poweshiek County

Poweshiek County

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

June 30, 2008

Total governmental fund balances (page 19) \$ 6,068,267

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 \$16,153,448 and the accumulated depreciation is \$5,323,360. 10,830,088

Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the governmental funds. 135,871

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. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Assets. 351,354

Long-term liabilities, including general obligation notes payable, general obligation capital loan notes payable, compensated absences payable and landfill postclosure care, are not due and payable in the current period and, therefore, are not reported in the governmental funds. (706,387)

Net assets of governmental activities (page 16) \$ 16,679,193

See notes to financial statements.

Poweshiek County

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

Year ended June 30, 2008

	Special Revenue		
	General	Mental Health	Rural Services
Revenues:			
Property and other county tax	\$ 2,790,252	427,321	1,790,062
Interest and penalty on property tax	52,631	-	-
Intergovernmental	570,710	887,804	284,201
Licenses and permits	700	-	15,798
Charges for service	356,978	-	91,447
Use of money and property	359,910	-	-
Fines, forfeitures and defaults	-	-	-
Miscellaneous	8,145	4,476	4,855
Total revenues	4,139,326	1,319,601	2,186,363
Expenditures:			
Operating:			
Public safety and legal services	1,386,082	-	735,821
Physical health and social services	448,118	-	31,427
Mental health	-	1,598,022	-
County environment and education	342,849	-	45,762
Roads and transportation	-	-	-
Governmental services to residents	613,831	-	4,145
Administration	905,049	-	27,016
Non-program	210,928	-	-
Debt service	-	-	-
Capital projects	-	-	-
Total expenditures	3,906,857	1,598,022	844,171
Excess (deficiency) of revenues over (under) expenditures	232,469	(278,421)	1,342,192
Other financing sources (uses):			
Operating transfers in	-	-	-
Operating transfers out	(624,198)	-	(1,163,548)
Sale of capital assets	-	-	1,268
Total other financing sources (uses)	(624,198)	-	(1,162,280)
Net change in fund balances	(391,729)	(278,421)	179,912
Fund balances beginning of year	2,198,981	432,191	285,813
Fund balances end of year	\$ 1,807,252	153,770	465,725

See notes to financial statements.

Secondary		
Roads	Nonmajor	Total
-	485,010	5,492,645
-	-	52,631
2,644,455	122,385	4,509,555
41,645	-	58,143
-	48,866	497,291
195	11,222	371,327
-	203,309	203,309
28,954	15,861	62,291
<u>2,715,249</u>	<u>886,653</u>	<u>11,247,192</u>
-	142,796	2,264,699
-	-	479,545
-	-	1,598,022
-	292,463	681,074
4,216,740	-	4,216,740
-	3,398	621,374
-	-	932,065
-	-	210,928
-	228,624	228,624
185,903	560,913	746,816
<u>4,402,643</u>	<u>1,228,194</u>	<u>11,979,887</u>
(1,687,394)	(341,541)	(732,695)
1,238,338	549,408	1,787,746
-	-	(1,787,746)
-	-	1,268
<u>1,238,338</u>	<u>549,408</u>	<u>1,268</u>
(449,056)	207,867	(731,427)
<u>2,162,156</u>	<u>1,720,553</u>	<u>6,799,694</u>
<u>1,713,100</u>	<u>1,928,420</u>	<u>6,068,267</u>

Poweshiek 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 23) \$ (731,427)

***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	\$ 968,217	
Capital assets contributed by the Iowa Department of Transportation	721,695	
Depreciation expense	(620,488)	1,069,424

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	(20,920)	
Other	131,271	110,351

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. 215,862

Compensated absences 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. (11,161)

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. The change in net assets of the Internal Service Fund is reported with governmental activities. (55,527)

Change in net assets of governmental activities (page 17) \$ 597,522

See notes to financial statements.

Poweshiek County
 Statement of Net Assets
 Proprietary Fund
 June 30, 2008

	Internal Service - Employee Group Health
Assets	
Cash and cash equivalents	\$ 571,354
Liabilities	
Accounts payable	120,000
Advance from General Fund	100,000
Total liabilities	220,000
Net Assets	
Unrestricted	\$ 351,354

See notes to financial statements.

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

Year ended June 30, 2008

		<u>Internal Service - Employee Group Health</u>
Operating revenues:		
Reimbursements from operating funds		\$ 827,745
Reimbursements from employees		433,892
Insurance reimbursements		<u>28,350</u>
Total operating revenues		1,289,987
Operating expenses:		
Medical claims	\$ 1,180,824	
Insurance premiums	130,467	
Administrative fees	51,559	
Miscellaneous	<u>1,700</u>	<u>1,364,550</u>
Operating loss		(74,563)
Non-operating revenues:		
Interest income		<u>19,036</u>
Net loss		(55,527)
Net assets beginning of year		<u>406,881</u>
Net assets end of year		<u><u>\$ 351,354</u></u>

See notes to financial statements.

Poweshiek County
Statement of Cash Flows
Proprietary Fund
Year ended June 30, 2008

	Internal Service - Employee Group Health
Cash flows from operating activities:	
Cash received from operating fund reimbursements	\$ 827,745
Cash received from employees and others	462,242
Cash paid to suppliers for services	(1,354,550)
Net cash used by operating activities	(64,563)
Cash flows from investing activities:	
Interest on investments	19,036
Net decrease in cash and cash equivalents	(45,527)
Cash and cash equivalents beginning of year	616,881
Cash and cash equivalents end of year	\$ 571,354
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (74,563)
Adjustment to reconcile operating loss to net cash used by operating activities:	
Increase in accounts payable	10,000
Net cash used by operating activities	\$ (64,563)

See notes to financial statements.

Poweshiek County

Statement of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2008

Assets

Cash and pooled investments:

County Treasurer	\$ 1,168,241
Other County officials	35,008

Receivables:

Property tax:

Delinquent	9,820
Succeeding year	19,513,000

Accounts	37,155
----------	--------

Accrued interest	607
------------------	-----

Succeeding year special assessments	10,206
-------------------------------------	--------

Due from other governments	1
----------------------------	---

Total assets	<u>20,774,038</u>
---------------------	-------------------

Liabilities

Accounts payable	4,645
------------------	-------

Salaries and benefits payable	2,778
-------------------------------	-------

Due to other governments	20,711,204
--------------------------	------------

Trusts payable	42,479
----------------	--------

Compensated absences	12,932
----------------------	--------

Total liabilities	<u>20,774,038</u>
--------------------------	-------------------

Net assets	<u><u>\$ -</u></u>
-------------------	--------------------

See notes to financial statements.

Poweshiek County

Notes to Financial Statements

June 30, 2008

(1) Summary of Significant Accounting Policies

Poweshiek 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, Poweshiek 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. The County has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations – The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Poweshiek County Assessor's Conference Board, Poweshiek County Emergency Management Services Commission and Poweshiek 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: Drug Task Force Agreement, South Central Iowa Solid Waste Agency and Poweshiek Area Development Corporation.

B. Basis of Presentation

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

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

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

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

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

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 funds:

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

Fiduciary Funds - Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds.

C. Measurement Focus and Basis of Accounting

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

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

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

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

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both

restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general revenues.

The proprietary fund of the County applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure.

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

The County maintains its financial records on the cash basis. The financial statements of the County are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash, Pooled Investments and Cash Equivalents – The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund unless otherwise provided by law. Investments are stated at fair value except for the investment in the Iowa Public Agency Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at cost.

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

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

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.

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, 2003 (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 and buildings	35,000
Land improvements	25,000
Equipment and vehicles	10,000

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	25 - 50
Land improvements	10 - 50
Infrastructure	30 - 50
Equipment	3 - 20
Vehicles	5 - 15

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 vacation and compensatory hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2008. The compensated absences liability attributable to the governmental activities will be paid primarily by the General, Mental Health, Secondary Roads and Sanitary Disposal Funds.

Long-Term Liabilities – In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund Statement of Net Assets.

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

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

Net Assets – The net assets of the Internal Service Fund are designated for anticipated future catastrophic losses of the County.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2008, disbursements did not exceed the amounts budgeted by function. However, disbursements exceeded the amount appropriated in one department.

(2) Cash and Pooled Investments

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

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

The County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$4,380,035 pursuant to Rule 2a-7 under the Investment Company Act of 1940. The investment in the Iowa Public Agency Investment Trust is unrated for credit risk purposes.

(3) 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	General	\$ 103,290
	Special Revenue:	
	Rural Services	1,135,048
Sanitary Disposal	Special Revenue:	
	Rural Services	28,500
Capital Projects	General	470,000
Debt Service	General	50,908
Total		<u>\$ 1,787,746</u>

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

(4) Capital Assets

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,285,552	100,828	-	1,386,380
Construction in progress	156,137	1,358,375	(156,137)	1,358,375
Total capital assets not being depreciated	1,441,689	1,459,203	(156,137)	2,744,755
Capital assets being depreciated:				
Buildings	1,671,765	48,768	-	1,720,533
Equipment and vehicles	5,800,479	181,941	(67,394)	5,915,026
Infrastructure	5,616,997	156,137	-	5,773,134
Total capital assets being depreciated	13,089,241	386,846	(67,394)	13,408,693
Less accumulated depreciation for:				
Buildings	807,989	38,614	-	846,603
Equipment and vehicles	3,543,760	368,606	(67,394)	3,844,972
Infrastructure	418,517	213,268	-	631,785
Total accumulated depreciation	4,770,266	620,488	(67,394)	5,323,360
Total capital assets being depreciated, net	8,318,975	(233,642)	-	8,085,333
Governmental activities capital assets, net	\$ 9,760,664	1,225,561	(156,137)	10,830,088

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 53,429
Physical health and social services	1,971
Mental health	12,702
County environment and education	27,237
Roads and transportation	461,340
Administration	63,809
Total depreciation expense - governmental activities	\$ 620,488

(5) 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	\$ 12,947
Special Revenue:		
Mental Health	Services	69,625
Rural Services	Services	50
Secondary Roads	Services	128
Total for governmental funds		<u>\$ 82,750</u>
Agency:		
County Assessor	Collections	\$ 656,030
Schools		11,482,720
Community Colleges		1,625,957
Corporations		6,012,576
Auto License and Use Tax		335,478
All other		598,443
Total for agency funds		<u>\$ 20,711,204</u>

(6) Long-Term Liabilities

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

	General Obligation Capital Loan Notes	General Obligation Notes	Compensated Absences	Estimated Liability for Landfill Postclosure Care	Total
Balance beginning of year	\$ 50,000	275,085	211,003	375,000	911,088
Increases	-	-	381,416	-	381,416
Decreases	25,000	190,862	370,255	-	586,117
Balance end of year	<u>\$ 25,000</u>	<u>84,223</u>	<u>222,164</u>	<u>375,000</u>	<u>706,387</u>
Due within one year	\$ 25,000	84,223	167,223	-	276,446

General Obligation Notes

On July 15, 2005, the County issued \$595,085 of general obligation notes to pay the costs of acquiring voting equipment, computer equipment and patrol cars for the Sheriff's Office.

Year Ending June 30,	Issued July, 2005			
	Interest Rates	Principal	Interest	Total
2009	3.44%	\$ 84,223	4,711	88,934

During the year ended June 30, 2008, the County retired \$190,862 of notes.

General Obligation Capital Loan Notes

During the year ended June 30, 2007, the County issued \$50,000 of general obligation capital loan notes to pay the costs of acquiring patrol cars for the Sheriff's Office.

Year Ending June 30,	Issued December, 2006			
	Interest Rates	Principal	Interest	Total
2009	4.50%	\$ 25,000	1,125	26,125

During the year ended June 30, 2008, the County retired \$25,000 of notes.

(7) 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 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 \$213,513, \$196,348 and \$183,223, respectively, equal to the required contributions for each year.

(8) Risk Management

Poweshiek County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 563 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

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

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

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's contributions to the Pool for the year ended June 30, 2008 were \$184,676.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured in an amount not to exceed \$2,650,000 per claim and \$10,000,000 in aggregate per year. For members requiring specific coverage from \$3,000,000 to \$10,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$100,000 each occurrence, each location, with excess coverage reinsured on an individual-member basis.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event 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 casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their casualty capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its casualty capital contributions. However, the refund is reduced by an amount equal to the annual casualty operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation, boiler and machinery and employee blanket bond in the amount of \$1,000,000, \$1,000,000 and \$80,000, 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.

(9) 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 Employee Group Services, LTD. (EGS). The agreement was effective July 1, 1991 and is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of \$25,000. 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 EGS from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2008 was \$827,745.

Amounts payable from the Employee Group Health Fund at June 30, 2008 total \$120,000, 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. The reserve was \$351,354 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	\$ 110,000
Incurred claims (including claims incurred but not reported at June 30, 2008)	(1,170,824)
Payment on claims during the fiscal year	<u>1,180,824</u>
Unpaid claims end of year	<u>\$ 120,000</u>

(10) Postclosure Care

To comply with federal and state regulations, the County is required to complete a monitoring system plan and a closure/postclosure plan and to provide funding necessary to effect closure and postclosure, including the proper monitoring and care of the landfill after closure. Environmental Protection Agency (EPA) requirements have established closure and thirty-year postclosure care requirements for all municipal solid waste landfills that receive waste after October 9, 1993. State governments are primarily responsible for implementation and enforcement of those requirements and have been given flexibility to tailor requirements to accommodate local conditions that exist. The effect of the EPA requirement is to commit landfill owners to perform certain closing functions and postclosure monitoring functions as a condition for the right to operate the landfill in the current period. The EPA requirements provide that when a landfill stops accepting waste, it must be covered with a minimum of twenty-four inches of earth to keep liquid away from the buried waste. Once the landfill is closed, the owner is responsible for maintaining the final cover, monitoring ground water and methane gas, and collecting and treating leachate (the liquid that drains out of waste) for thirty years.

Governmental Accounting Standards Board Statement No. 18 requires landfill owners to estimate total landfill closure and postclosure care costs and recognize a portion of these costs each year based on the percentage of estimated total landfill capacity used that period. Estimated total costs consist of four components: (1) the cost of equipment and facilities used in postclosure monitoring and care, (2) the cost of final cover (material and labor), (3) the cost of monitoring the landfill during the postclosure period and (4) the cost of any environmental cleanup required after closure. Estimated total cost is based on the cost to purchase those services and equipment currently and is required to be updated annually. These costs for the Poweshiek County Sanitary Landfill have been estimated at \$375,000 as of June 30, 2008 and a liability of that amount has been recognized.

Chapter 111 of the Iowa Administrative Code has been promulgated to implement financial assurance rules. Since the Poweshiek County Sanitary Landfill stopped waste disposal prior to the Chapter 111 effective date of August 24, 1994, financial assurance is not required for the Landfill. However, the County has accumulated resources to fund postclosure care and, at June 30, 2008, deposits of \$375,000 held for these purposes are reported in the Special Revenue, Sanitary Disposal Fund.

(11) Development Agreement

The County entered into a development agreement to assist in an urban renewal project. The County agreed to rebate 100% of the incremental tax paid by the developer in exchange for the construction of a corn processing facility. The incremental tax to be received by the County under Chapter 403.19 of the Code of Iowa from the developer will be rebated in twenty semi-annual payments beginning on December 1, 2003. The total to be paid by the County under this agreement is not to exceed \$2,509,260. During the year ended June 30, 2008, \$281,286 was rebated to the developer, bringing the cumulative total to \$1,094,299.

(12) Economic Development Set-Aside Program Loan

On September 20, 2007, the County was awarded an \$80,000 Economic Development Set-Aside Program loan on behalf of BiOva, LLC from the Iowa Department of Economic Development. The award consists of an \$80,000 forgivable loan to create 20 new full-time positions. At the project completion date, September 30, 2010, if the business has not fulfilled its job creation requirement, \$4,000 will be forgiven for each new job created. BiOva, LLC agreed funds will be returned to the County in the same ratio as the job shortfall is to the total job requirement in the event the total job creation is not met. Because the loan is to be paid from other than County resources, the loan does not constitute a liability of the County and is not reported in the financial statements.

(13) Subsequent Event

On October 15, 2008, the County issued \$7,950,000 of general obligation local option sales tax bonds for the purpose of constructing, furnishing and equipping a law enforcement center and constructing improvements to county secondary roads.

Poweshiek County

Required Supplementary Information

Poweshiek 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	Budgeted Amounts		Final to
		Original	Final	Actual Variance
Receipts:				
Property and other county tax	\$ 5,487,573	5,481,099	5,481,099	6,474
Interest and penalty on property tax	52,631	35,000	35,000	17,631
Intergovernmental	4,338,716	4,912,702	5,091,946	(753,230)
Licenses and permits	57,923	45,125	45,125	12,798
Charges for service	497,582	523,315	523,315	(25,733)
Use of money and property	357,234	373,715	373,715	(16,481)
Miscellaneous	263,083	425,980	425,980	(162,897)
Total receipts	<u>11,054,742</u>	<u>11,796,936</u>	<u>11,976,180</u>	<u>(921,438)</u>
Disbursements:				
Public safety and legal services	2,241,450	2,093,750	2,343,407	101,957
Physical health and social services	391,254	427,127	442,127	50,873
Mental health	1,635,671	1,803,670	1,803,670	167,999
County environment and education	665,404	763,550	765,540	100,136
Roads and transportation	4,191,129	4,470,000	4,470,000	278,871
Governmental services to residents	615,283	745,288	745,288	130,005
Administration	938,924	1,185,484	1,185,484	246,560
Non-program	206,922	230,693	238,576	31,654
Debt service	228,624	201,718	252,626	24,002
Capital projects	573,418	1,780,000	2,250,000	1,676,582
Total disbursements	<u>11,688,079</u>	<u>13,701,280</u>	<u>14,496,718</u>	<u>2,808,639</u>
Excess (deficiency) of receipts over (under) disbursements	(633,337)	(1,904,344)	(2,520,538)	1,887,201
Other financing sources, net	<u>3,679</u>	-	-	<u>3,679</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(629,658)	(1,904,344)	(2,520,538)	1,890,880
Balance beginning of year	<u>6,110,768</u>	<u>5,667,876</u>	<u>5,667,876</u>	<u>442,892</u>
Balance end of year	<u>\$ 5,481,110</u>	<u>3,763,532</u>	<u>3,147,338</u>	<u>2,333,772</u>

See accompanying independent auditor's report.

Poweshiek 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	\$ 11,054,742	192,450	11,247,192
Expenditures	11,688,079	291,808	11,979,887
Net	(633,337)	(99,358)	(732,695)
Other financing sources, net	3,679	(2,411)	1,268
Beginning fund balances	6,110,768	688,926	6,799,694
Ending fund balances	\$ 5,481,110	587,157	6,068,267

See accompanying independent auditor's report.

Poweshiek 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 Internal Service and Agency Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon 10 major classes of expenditures known as functions, not by fund. These 10 functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, three budget amendments increased budgeted disbursements by \$795,438. 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 did not exceed the amounts budgeted by function. However, disbursements exceeded the amount appropriated in one department.

Other Supplementary Information

Poweshiek County
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2008

	Urban Renewal Revenue	Resource Enhancement and Protection	County Recorder's Records Management	Conservation Land Acquisition	Special Revenue County Recorder's Electronic Transaction Fee
Assets					
Cash and pooled investments	\$ 373,783	53,092	25,044	132,826	658
Receivables:					
Property tax:					
Delinquent	-	-	-	-	-
Succeeding year	430,000	-	-	-	-
Accrued interest	-	94	42	-	1
Due from other governments	-	-	-	-	-
Total assets	\$ 803,783	53,186	25,086	132,826	659
Liabilities and Fund Equity					
Liabilities:					
Accounts payable	\$ -	-	-	-	-
Deferred revenue:					
Succeeding year property tax	430,000	-	-	-	-
Other	-	-	-	-	-
Total liabilities	430,000	-	-	-	-
Fund balances:					
Reserved for debt service	-	-	-	-	-
Unreserved:					
Designated for postclosure care	-	-	-	-	-
Undesignated	373,783	53,186	25,086	132,826	659
Total fund equity	373,783	53,186	25,086	132,826	659
Total liabilities and fund equity	\$ 803,783	53,186	25,086	132,826	659

See accompanying independent auditor's report.

Sheriff/ Jail	Special Law Enforcement	County Attorney Forfeiture	Sanitary Disposal	Debt Service	Capital Projects	Total
4,927	45,575	29,618	1,194,190	51,909	72,939	1,984,561
-	-	-	-	98	-	98
-	-	-	-	174,000	-	604,000
-	-	-	-	384	-	521
-	-	-	1,518	-	-	1,518
4,927	45,575	29,618	1,195,708	226,391	72,939	2,590,698
227	-	-	169	-	57,784	58,180
-	-	-	-	174,000	-	604,000
-	-	-	-	98	-	98
227	-	-	169	174,098	57,784	662,278
-	-	-	-	52,293	-	52,293
-	-	-	375,000	-	-	375,000
4,700	45,575	29,618	820,539	-	15,155	1,501,127
4,700	45,575	29,618	1,195,539	52,293	15,155	1,928,420
4,927	45,575	29,618	1,195,708	226,391	72,939	2,590,698

Poweshiek County

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

Year ended June 30, 2008

	Urban Renewal Revenue	Resource Enhancement and Protection	County Recorder's Records Management	Conservation Land Acquisition	Special Revenue County Recorder's Electronic Transaction Fee
Revenues:					
Property and other county tax	\$ 290,679	-	-	-	-
Intergovernmental	-	15,832	-	69,600	-
Charges for service	-	-	4,707	44,159	-
Use of money and property	-	1,503	870	1,000	23
Fines, forfeitures and defaults	-	-	-	-	-
Miscellaneous	-	-	-	15,861	-
Total revenues	290,679	17,335	5,577	130,620	23
Expenditures:					
Operating:					
Public safety and legal services	-	-	-	-	-
County environment and education	281,286	-	-	-	-
Governmental services to residents	-	-	3,398	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	106,068	-
Total expenditures	281,286	-	3,398	106,068	-
Excess (deficiency) of revenues over (under) expenditures	9,393	17,335	2,179	24,552	23
Other financing sources:					
Operating transfers in	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	9,393	17,335	2,179	24,552	23
Fund balances beginning of year	364,390	35,851	22,907	108,274	636
Fund balances end of year	\$ 373,783	53,186	25,086	132,826	659

See accompanying independent auditor's report.

Sheriff/ Jail	Special Law Enforcement	County Attorney Forfeiture	Sanitary Disposal	Debt Service	Capital Projects	Total
-	-	-	-	194,331	-	485,010
-	-	-	29,141	7,812	-	122,385
-	-	-	-	-	-	48,866
4,398	-	-	-	3,428	-	11,222
-	176,790	26,519	-	-	-	203,309
-	-	-	-	-	-	15,861
4,398	176,790	26,519	29,141	205,571	-	886,653
4,403	138,393	-	-	-	-	142,796
-	-	-	11,177	-	-	292,463
-	-	-	-	-	-	3,398
-	-	-	-	228,624	-	228,624
-	-	-	-	-	454,845	560,913
4,403	138,393	-	11,177	228,624	454,845	1,228,194
(5)	38,397	26,519	17,964	(23,053)	(454,845)	(341,541)
-	-	-	28,500	50,908	470,000	549,408
(5)	38,397	26,519	46,464	27,855	15,155	207,867
4,705	7,178	3,099	1,149,075	24,438	-	1,720,553
4,700	45,575	29,618	1,195,539	52,293	15,155	1,928,420

Poweshiek County
 Combining Schedule of Fiduciary Assets and Liabilities
 Agency Funds

June 30, 2008

	County Offices	Agricultural Extension Education	County Assessor	Schools	Community Colleges
Assets					
Cash and pooled investments:					
County Treasurer	\$ -	1,464	320,404	151,926	17,969
Other County officials	35,008	-	-	-	-
Receivables:					
Property tax:					
Delinquent	-	71	197	6,794	988
Succeeding year	-	126,000	350,000	11,324,000	1,607,000
Accounts	-	-	341	-	-
Accrued interest	-	-	297	-	-
Succeeding year special assessments	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total assets	\$ 35,008	127,535	671,239	11,482,720	1,625,957
Liabilities					
Accounts payable	\$ -	-	1,177	-	-
Salaries and benefits payable	-	-	1,746	-	-
Due to other governments	10,817	127,535	656,030	11,482,720	1,625,957
Trusts payable	24,191	-	-	-	-
Compensated absences	-	-	12,286	-	-
Total liabilities	\$ 35,008	127,535	671,239	11,482,720	1,625,957

See accompanying independent auditor's report.

Corporations	Townships	Auto License and Use Tax	E911	Other	Total
102,008	630	335,478	175,302	63,060	1,168,241
-	-	-	-	-	35,008
1,568	63	-	-	139	9,820
5,909,000	49,000	-	-	148,000	19,513,000
-	-	-	36,814	-	37,155
-	-	-	310	-	607
-	-	-	-	10,206	10,206
-	-	-	-	1	1
<u>6,012,576</u>	<u>49,693</u>	<u>335,478</u>	<u>212,426</u>	<u>221,406</u>	<u>20,774,038</u>
-	-	-	3,316	152	4,645
-	-	-	-	1,032	2,778
6,012,576	49,693	335,478	209,110	201,288	20,711,204
-	-	-	-	18,288	42,479
-	-	-	-	646	12,932
<u>6,012,576</u>	<u>49,693</u>	<u>335,478</u>	<u>212,426</u>	<u>221,406</u>	<u>20,774,038</u>

Poweshiek County

Combining Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds

Year ended June 30, 2008

	County Offices	Agricultural Extension Education	County Assessor	Schools	Community Colleges
Assets and Liabilities					
Balances beginning of year	\$ 47,606	101,044	601,679	10,338,644	1,245,389
Additions:					
Property and other county tax	-	126,057	350,579	11,362,262	1,612,995
E911 surcharge	-	-	-	-	-
State tax credits	-	4,193	14,441	425,309	50,882
Drivers license fees	-	-	-	-	-
Office fees and collections	781,476	-	161	-	-
Auto licenses, use tax and postage	-	-	-	-	-
Assessments	-	-	-	-	-
Trusts	-	-	-	-	-
Miscellaneous	-	-	40,135	-	-
Total additions	781,476	130,250	405,316	11,787,571	1,663,877
Deductions:					
Agency remittances:					
To other funds	245,540	-	-	-	-
To other governments	414,080	103,759	335,756	10,643,495	1,283,309
Trusts paid out	134,454	-	-	-	-
Total deductions	794,074	103,759	335,756	10,643,495	1,283,309
Balances end of year	\$ 35,008	127,535	671,239	11,482,720	1,625,957

See accompanying independent auditor's report.

Corpora- tions	Townships	Auto License and Use Tax	E911	Other	Total
5,346,414	47,730	300,852	271,346	180,825	18,481,529
5,849,414	49,549	-	-	148,778	19,499,634
-	-	-	198,100	5,920	204,020
185,180	2,266	-	-	-	682,271
-	-	36,785	-	-	36,785
-	-	-	-	-	781,637
-	-	4,648,372	-	-	4,648,372
-	-	-	-	10,788	10,788
-	-	-	-	144,198	144,198
-	-	-	9,137	109,316	158,588
6,034,594	51,815	4,685,157	207,237	419,000	26,166,293
-	-	176,246	-	-	421,786
5,368,432	49,852	4,474,285	266,157	244,409	23,183,534
-	-	-	-	134,010	268,464
5,368,432	49,852	4,650,531	266,157	378,419	23,873,784
6,012,576	49,693	335,478	212,426	221,406	20,774,038

Poweshiek 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	\$ 5,492,645	4,933,991	4,650,738	4,651,096
Interest and penalty on property tax	52,631	40,051	40,140	39,701
Intergovernmental	4,509,555	4,665,290	4,791,515	3,808,111
Licenses and permits	58,143	52,630	62,216	49,213
Charges for service	497,291	488,223	500,260	494,394
Use of money and property	371,327	441,126	369,980	191,375
Fines, forfeitures and defaults	203,309	-	8,693	5,058
Miscellaneous	62,291	115,596	116,206	82,234
Total	\$ 11,247,192	10,736,907	10,539,748	9,321,182
Expenditures:				
Operating:				
Public safety and legal services	\$ 2,264,699	1,935,169	1,791,672	1,542,220
Physical health and social services	479,545	398,508	334,567	357,886
Mental health	1,598,022	1,504,319	1,528,126	1,521,306
County environment and education	681,074	584,009	601,071	716,213
Roads and transportation	4,216,740	4,203,984	3,971,113	3,627,542
Governmental services to residents	621,374	558,600	769,704	436,872
Administration	932,065	1,076,972	1,004,043	1,125,483
Non-program	210,928	190,702	134,434	104,066
Debt service	228,624	175,144	178,253	43,234
Capital projects	746,816	280,321	209,126	270,058
Total	\$ 11,979,887	10,907,728	10,522,109	9,744,880

See accompanying independent auditor's report.

Accrual Basis			
2004	2003	2002	2001
4,578,672	3,908,321	3,689,156	3,502,756
48,489	44,116	46,858	39,931
4,299,715	3,872,610	4,062,443	4,070,871
62,408	48,469	45,997	40,464
1,340,996	1,063,772	996,763	921,388
81,265	117,772	172,538	345,233
48,279	-	-	-
60,738	76,899	195,345	213,550
10,520,562	9,131,959	9,209,100	9,134,193
1,313,854	1,386,366	1,331,694	1,211,084
339,050	316,497	473,582	566,829
1,388,723	1,469,530	1,346,804	1,269,632
1,337,631	979,027	962,059	1,388,742
2,424,210	3,053,470	3,665,304	4,021,593
390,692	345,860	452,403	410,997
837,374	752,288	797,830	816,767
114,127	118,863	19,440	24,346
95,482	97,733	99,982	68,023
715,414	30,517	492,267	42,346
8,956,557	8,550,151	9,641,365	9,820,359

Schedule 6

Poweshiek County
 Schedule of Federal Financial Assistance
 Year ended June 30, 2008

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Human Services:			
Human Services Administrative reimbursements:			
State Administrative Matching Grants for Food Stamp Program	10.561		\$ 8,383
U.S. Department of Housing and Urban Development:			
Iowa Department of Economic Development:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	07-ED-008	84,200
U.S. Department of Transportation:			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	BROS-CO79(39)-8J-79	145,467
Iowa Department of Public Safety - Governor's Traffic Safety Bureau:			
Safety Incentive Grants for Use of Seatbelts	20.604	08-157, Task 142	349
Iowa Department of Public Defense:			
Iowa Homeland Security and Emergency Management Division:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703		120
U.S. Department of Health and Human Services:			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Temporary Assistance for Needy Families	93.558		9,058
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		2,209
Foster Care - Title IV-E	93.658		5,310
Adoption Assistance	93.659		1,266
State Children's Insurance Program	93.767		75
Medical Assistance Program	93.778		11,524
Social Services Block Grant	93.667		5,942
Social Services Block Grant	93.667		73,366
			79,308
U.S. Department of Homeland Security:			
Iowa Department of Public Defense:			
Iowa Homeland Security and Emergency Management Division:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	1763-DR-IA	119,377
Emergency Management Performance Grants	97.042		25,998
Homeland Security Region I:			
State Homeland Security Program (SHSP)	97.073		29,338
Total			\$ 521,982

Poweshiek County

Schedule of Federal Financial Assistance

Year ended June 30, 2008

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

Poweshiek County



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

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 Poweshiek County:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Poweshiek 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 March 13, 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 Poweshiek 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 Poweshiek County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Poweshiek County's internal control over financial reporting.

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

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Poweshiek 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 Poweshiek County's financial statements that is more than inconsequential will not be prevented or detected by Poweshiek County's internal control. We consider the deficiencies in internal control described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we believe items II-A-08 and II-E-08 are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Poweshiek 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 the accompanying Schedule of Findings and Questioned Costs.

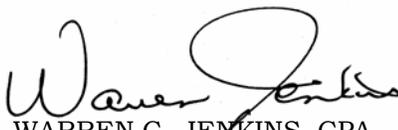
Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2008 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all 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.

Poweshiek 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 Poweshiek 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 Poweshiek County and other parties to whom Poweshiek 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 Poweshiek 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

March 13, 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**

Poweshiek County



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

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 Poweshiek County:

Compliance

We have audited the compliance of Poweshiek 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 its major federal programs for the year ended June 30, 2008. Poweshiek 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 are the responsibility of Poweshiek County's management. Our responsibility is to express an opinion on Poweshiek 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 Poweshiek 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 Poweshiek County's compliance with those requirements.

In our opinion, Poweshiek 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

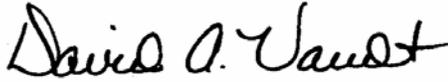
The management of Poweshiek County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered Poweshiek County's internal 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. Accordingly, we do not express an opinion on the effectiveness of Poweshiek 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 internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the County's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance 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 Poweshiek County and other parties to whom Poweshiek 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

March 13, 2009

Poweshiek 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, including 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 identified.
- (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 are 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 20.205 – Highway Planning and Construction
 - CFDA Number 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Poweshiek County did not qualify as a low-risk auditee.

Poweshiek 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 activities 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 individual in the Sheriff's Office, the Recorder's Office, the Engineer's Office, the Central Point Coordinator's Office, the Conservation Office and the Sanitarian's Office may have control over opening and listing mail receipts, collecting, depositing, posting and daily reconciling of receipts for which no compensating controls exist. In the Recorder's Office, the mail opener does not prepare a listing of mail receipts. In addition, bank reconciliations are not reviewed by an independent person with no responsibility for receipts and disbursements in the Sheriff's Office and the Recorder's Office.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, each County official should review the operating procedures of their office to obtain the maximum internal control possible under the circumstances. The County official should utilize current personnel to provide additional control through review of financial transactions, reconciliations and reports.

An employee who is not authorized to make entries to the accounting records should open all incoming mail. This employee should prepare a listing of cash and checks received. The mail could then be forwarded to the accounting personnel for processing. Later, the same listing should be compared to the cash receipt records.

Bank accounts should be reconciled promptly at the end of each month by an individual who does not sign checks, handle or record cash. The bank reconciliations should then be reviewed by an independent person with no responsibility for receipts and disbursements, with the review documented by the initials or signature of the reviewer and the date of the review.

Responses –

Sheriff's Office – Due to minimal staffing it is difficult to segregate duties. Attempts have been made in previous years to remedy this, but due to the workload of the dispatcher/jailers it is almost impossible to delegate any more duties. The Sheriff's Office is currently moving into a new facility by FY10, and we will be hiring a receptionist which we hope will aid in segregating duties.

Recorder's Office – Segregation of duties will be evidenced by employee initials.

Poweshiek County

Schedule of Findings and Questioned Costs

Year ended June 30, 2008

Engineer's Office – Since approximately March, 2008, a second employee has been reviewing the receipts that are taken in. A report is signed periodically.

Central Point Coordinator's (CPC) Office – A spreadsheet will be developed listing incoming checks. The administrative assistant will list receipts, and the CPC will compare the listing to the receipt.

Conservation Office – The Conservation Department has a very small staff consisting of three full time employees. The Director is the only staff member normally in the office. The other two full time employees (park rangers) are usually in the field working and have very little contact with the Director during the course of the day.

Sanitarian's Office – I will try to work with the County Engineers office to segregate duties.

Conclusions –

Sheriff's Office – Response acknowledged. For offices with limited staff, other County personnel could be used to provide additional control through review of financial transactions.

Recorder's Office – Response accepted.

Engineer's Office – Response accepted.

Central Point Coordinator's (CPC) Office – Response accepted.

Conservation Office – Response acknowledged. For offices with limited staff, other County personnel could be used to provide additional control through review of financial transactions.

Sanitarian's Office – Response accepted.

II-B-08 Information Systems – The County does not have a written disaster recovery plan.

Recommendation – A written disaster recovery plan should be developed.

Response – A written disaster recovery plan will be developed.

Conclusion – Response accepted.

II-C-08 Capital Assets – The County does not maintain current capital asset records. This was resolved for audit purposes. Periodic comparisons are not made between amounts recorded in the accounting system and the physical assets. Depreciation calculations are not reviewed to ensure accuracy. Records for equipment are not promptly adjusted when equipment is disposed of. The County Auditor's Office does not receive a copy of each authorization for equipment transactions.

Poweshiek County

Schedule of Findings and Questioned Costs

Year ended June 30, 2008

Recommendation – The County should maintain current capital asset records. Depreciation calculations should be reviewed to ensure accuracy and equipment records should be promptly adjusted when equipment is disposed of. Copies of each authorization for equipment transactions should be sent to the County Auditor’s Office.

Response – We will maintain capital asset records and review calculations.

Conclusion – Response acknowledged. In addition, copies of each authorization for equipment transactions should be sent to the County Auditor’s Office.

II-D-08 Protective Payee Operations – Poweshiek County has been designated “protective payee” by the Social Security Administration, the Iowa Department of Human Services and/or the courts for 13 clients who need assistance in managing their day to day finances. Generally, one individual may have control over collecting and depositing receipts. Checks written from payee accounts are prepared, approved, signed and mailed by the same person. Bank reconciliations for each payee account are prepared by a person with access to client records and review by an independent person is not documented.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, County officials should review the operating procedures of this office to obtain the maximum internal control possible under the circumstances. Independent review of reconciliations should be documented.

Response – In the future, a case manager will be assigned to review and sign off on all bank reconciliations.

Conclusion – Response accepted.

II-E-08 Financial Reporting – During the audit, we identified material amounts of receivables, expenditures and payables not recorded in the County’s financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

Recommendation – The County should implement procedures to ensure all receivables, expenditures and payables are identified and coded properly in the County’s financial statements.

Responses –

County Engineer – The recommendation is noted. We will try to formulate a plan to address this.

County Auditor – We will implement procedures to ensure all payables are identified and coded properly.

Conclusions –

County Engineer – Response accepted.

County Auditor – Response accepted.

Poweshiek County

Schedule of Findings and Questioned Costs

Year ended June 30, 2008

II-F-08 Timesheet Approval – Timesheets are not reviewed by the County Engineer for the Secondary Roads department.

Recommendation – Timesheets should be prepared by all personnel in all departments, salaried as well as hourly, and should be submitted to the County Auditor's office prior to the processing of payroll each pay period. The timesheets should be signed by the employee and should be reviewed and signed by the employee's immediate supervisor or department head prior to submission. The timesheets should support all hours worked and all hours taken as vacation, sick leave, compensatory time, holiday hours and personal days.

Response – Timesheets are now being reviewed and a report is signed.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Part III: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

SIGNIFICANT DEFICIENCIES:

No matters were noted.

Poweshiek 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 – During the year ended June 30, 2008, disbursements did not exceed the amounts budgeted by function. However, disbursements exceeded the amount appropriated in one department.

Recommendation – Chapter 331.434(6) of the Code of Iowa authorizes the Board of Supervisors, by resolution, to increase or decrease the appropriation 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 – Increases or decreases will be made before disbursements are allowed to exceed the appropriation.

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 – Business transactions between the County and County officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Eleanor Snook, Board Member, Daughter is owner of Ellie's Soda Fountain	Jail meals	\$ 25,478
Brad Cranmer, Deputy Sheriff, owner of B3 Computers	Computer and supplies	9,419
Jeff Morrison, Deputy Sheriff, Father is owner of Morrison Enterprise, Inc	Car repair and maintenance	8,524

The transactions with Ellie's Soda Fountain do not appear to represent a conflict of interest since the contract was entered into prior to Ms. Snook taking office.

In accordance with Chapter 331.342(10) of the Code of Iowa, the transactions with B3 Computers and Morrison Enterprise, Inc. may represent conflicts of interest since the total transactions exceeded \$1,500 per individual during the fiscal year.

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

Response – We will consult legal counsel.

Conclusion – Response accepted.

Poweshiek County

Schedule of Findings and Questioned Costs

Year ended June 30, 2008

- 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.
- IV-G-08 Deposits and Investments – No instances of non-compliance with the deposit and investments provisions of Chapters 12B and 12C of the Code of Iowa and the County’s investment policy were noted.
- IV-H-08 Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- 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.

- IV-J-08 E-911 Claims – Chapter 34A.7(4) of the Code of Iowa states, in part, “Moneys in an E911 service fund may only be used for nonrecurring and recurring costs of the E911 service plan as approved by the program manager.” Further, Chapter 34A.2(7)(e)(2) states, in part, “Costs do not include expenditures for any other purpose, and specifically exclude costs attributable to other emergency services or expenditures for buildings or personnel, except for the costs of personnel for database management and personnel directly associated with addressing.”

The E-911 coordinator submitted a claim for \$1,993 to the Board of Supervisors monthly. However, the claims did not include any supporting documentation, such as hours worked or specific services provided. The signed letter of understanding between the Coordinator and the E-911 Board does not include expectations for the number of hours to be worked or any documentation of the work to be done to permit the E-911 Board to manage the arrangement. Accordingly, it can not be determined whether the services provided are allowable under the statutory language cited above.

Recommendation – Chapter 331.504(8) of the Code of Iowa requires claims, before being audited or paid, to be itemized to clearly show the basis of the claim and whether for property sold or furnished for services rendered or for another purpose. The County received legal advice dated July 20, 2004 on this issue. The claims should have proper supporting documentation, including documentation of the work performed to allow the E-911 Board and the County Board of Supervisors to determine whether the disbursement meets the statutory criteria necessary for allowing payment from the E-911 Services Fund.

Poweshiek County

Schedule of Findings and Questioned Costs

Year ended June 30, 2008

In addition, any future agreements should have established benchmarks or hours to be worked and documentation of the services to be provided.

Response – The Board will recommend the E-911 Coordinator submit documentation for services provided.

Conclusion – Response accepted.

IV-K-08 Noncurrent Debt – During the year ended June 30, 2008, the County entered into an advance to other funds agreement to begin construction of the law enforcement center. However, a public hearing was not held prior to the authorization of this noncurrent debt agreement as required by Chapters 331.478 and 331.479 of the Code of Iowa.

Recommendation – The County should consult legal counsel for the disposition of this matter. In the future, the County should hold a public hearing prior to the authorization of noncurrent debt in accordance with Chapters 331.478 and 331.479 of the Code of Iowa

Response – The County will consult legal counsel.

Conclusion – Response accepted.

Poweshiek County

Staff

This audit was performed by:

Ernest H. Ruben, Jr., CPA, Manager
Selina V. Johnson, CPA, Senior Auditor II
Jennifer L. Wall, CPA, Senior Auditor
Joshua B. Ludwig, Staff Auditor
Jessica P. V. Green, Assistant Auditor



Andrew E. Nielsen, CPA
Deputy Auditor of State