



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE

March 26, 2010

Contact: Andy Nielsen
515/281-5834

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

The County had local tax revenue of \$12,893,408 for the year ended June 30, 2009, which included \$747,923 in tax credits from the state. The County forwarded \$9,076,675 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$3,816,733 of the local tax revenue to finance County operations, a 1.4% increase over the prior year. Other revenues included charges for service of \$802,656, operating grants, contributions and restricted interest of \$3,954,487, capital grants, contributions and restricted interest of \$2,173,290, local option sales and services tax of \$494,887, hotel/motel tax of \$106,218, unrestricted investment earnings of \$83,941 and other general revenues of \$113,432.

Expenses for County operations totaled \$9,553,305, an 8.8% increase over the prior year. Expenses included \$3,807,520 for roads and transportation, \$1,848,979 for public safety and legal services and \$1,080,561 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/index.html>.

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APPANOOSE COUNTY

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

JUNE 30, 2009

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Appanoose County

Officials

(Before January 2009)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
John Arnold	Board of Supervisors	Jan 2009
Jody McDanel	Board of Supervisors	Jan 2009
Dean Kaster	Board of Supervisors	Jan 2011
Linda Demry	County Auditor	Jan 2009
Mary Kay Williams	County Treasurer	Jan 2011
Cheryl Piatt	County Recorder	Jan 2011
Gary Anderson	County Sheriff	Jan 2009
Richard Scott	County Attorney	Jan 2011
Jean Bond-May	County Assessor	Jan 2010

(After January 2009)

Dean Kaster	Board of Supervisors	Jan 2011
Jody McDanel	Board of Supervisors	Jan 2013
Linda Rouse	Board of Supervisors	Jan 2013
Linda Demry	County Auditor	Jan 2013
Mary Kay Williams	County Treasurer	Jan 2011
Cheryl Piatt	County Recorder	Jan 2011
Gary Anderson	County Sheriff	Jan 2013
Richard Scott	County Attorney	Jan 2011
Jean Bond-May	County Assessor	Jan 2010

Appanoose County



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Independent Auditor's Report

To the Officials of Appanoose County:

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

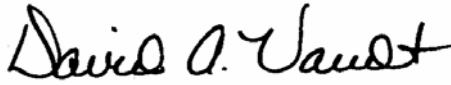
We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain 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 Appanoose County at June 30, 2009, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated March 3, 2010 on our consideration of Appanoose 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 42 through 45 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 Appanoose 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 five years ended June 30, 2008 (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 effects of 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 State, 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 3, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

Appanoose County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2009. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2009 FINANCIAL HIGHLIGHTS

- The County's governmental activities revenues increased 16.8%, or approximately \$1,664,000, from fiscal year 2008 to fiscal year 2009. Property tax and capital grants, contributions and restricted interest increased approximately \$87,000 and \$2,048,000, respectively, and operating grants, contributions and restricted interest decreased approximately \$282,000.
- The County's governmental activities expenses increased 8.8%, or approximately \$771,000, from fiscal year 2008 to fiscal year 2009. Public safety and legal services expenses and non-program expenses increased approximately \$485,000 and \$302,000, respectively.
- The County's net assets increased 11.9%, or approximately \$1,992,000, from June 30, 2008 to June 30, 2009.

USING THIS ANNUAL REPORT

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

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

The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of Appanoose 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 Appanoose 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 Appanoose County acts solely as an agent or custodian for the benefit of those outside of County government (Agency Funds).

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

Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year.

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

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

The County has three kinds of funds:

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

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of financial position. Appanoose County's net assets increased from \$16,752,353 at the end of fiscal year 2008 to \$18,744,692 at the end of fiscal year 2009. The analysis that follows focuses on the changes in the net assets of governmental activities.

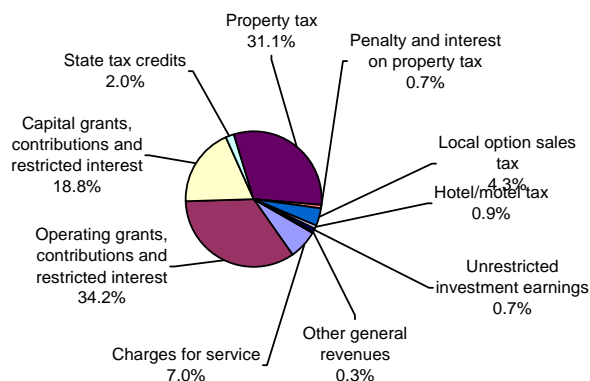
Net Assets of Governmental Activities		
	June 30,	
	2009	2008
Current and other assets	\$ 13,811,258	13,409,139
Capital assets	12,613,871	11,039,855
Total assets	26,425,129	24,448,994
Long-term liabilities	2,170,352	2,349,335
Other liabilities	5,510,085	5,347,306
Total liabilities	7,680,437	7,696,641
Net assets:		
Invested in capital assets, net of related debt	12,523,871	10,848,409
Restricted	3,584,844	3,338,360
Unrestricted	2,635,977	2,565,584
Total net assets	\$ 18,744,692	16,752,353

Net assets of Appanoose County's governmental activities increased approximately \$1,992,000 over fiscal year 2008. The County's net assets consists of invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. Restricted net assets represent resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements—increased from approximately \$2,566,000 at June 30, 2008 to approximately \$2,636,000 at June 30, 2009, an increase of 2.7%.

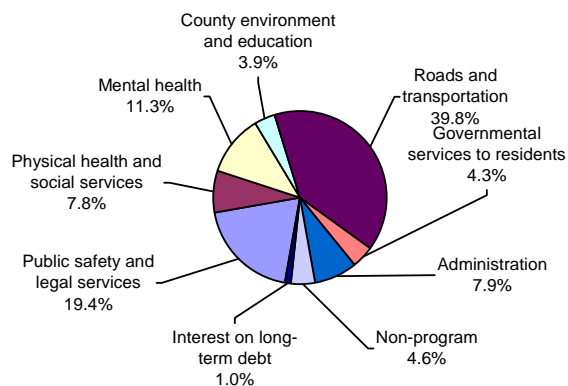
Changes in Net Assets of Governmental Activities

	Year ended June 30,	
	2009	2008
Revenues:		
Program revenues:		
Charges for service	\$ 802,656	863,393
Operating grants, contributions and restricted interest	3,954,487	4,236,458
Capital grants, contributions and restricted interest	2,173,290	125,053
General revenues:		
Property tax	3,590,325	3,503,026
Penalty and interest on property tax	75,480	66,110
State tax credits	226,408	261,927
Local option sales tax	494,887	528,769
Hotel/motel tax	106,218	-
Grants and contributions not restricted to specific purposes	-	28,691
Unrestricted investment earnings	83,941	266,293
Other general revenues	37,952	2,027
Total revenues	11,545,644	9,881,747
Program expenses:		
Public safety and legal services	1,848,979	1,364,027
Physical health and social services	741,280	659,288
Mental health	1,080,561	1,167,562
County environment and education	371,085	687,215
Roads and transportation	3,807,520	3,647,659
Governmental services to residents	414,322	341,450
Administration	755,796	698,151
Non-program	435,508	133,598
Interest on long-term debt	98,254	83,314
Total expenses	9,553,305	8,782,264
Increase in net assets	1,992,339	1,099,483
Net assets beginning of year	16,752,353	15,652,870
Net assets end of year	\$ 18,744,692	16,752,353

Revenues by Source



Expenses by Program



The increased taxable property valuations of approximately \$4,718,000 raised the County's property and other county tax revenue approximately \$87,000 in fiscal year 2009. The total Appanoose County assessed taxable property valuation for taxes payable in fiscal year 2010 increased approximately \$8,300,000. Based on this increase, property tax revenue is budgeted to increase an additional \$148,000 next year.

INDIVIDUAL MAJOR FUND ANALYSIS

As Appanoose County completed the year, its governmental funds reported a combined fund balance of approximately \$7.7 million, an increase of approximately \$189,000 over last year's total of approximately \$7.5 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues and expenditures both increased. The ending fund balance increased \$207,283 over the prior year to approximately \$5,165,000. Total revenues increased 0.4% over the prior year and included increases in intergovernmental and property and other county tax. Total expenditures increased 11% over the prior year and included increases in public safety and legal services, primarily due to administrative expenses, emergency management and medical examiner expenses
- The County has continued to look for ways to effectively manage the cost of mental health services. For the year, expenditures totaled approximately \$1,076,000, a decrease of 7.8% from the prior year. The Mental Health Fund balance at year end increased \$241,384 over the prior year to \$530,529.
- There were no significant changes in the Rural Services Fund. Revenues increased \$1,687 and expenditures increased \$652. The fund balance increased approximately \$93,000 over the prior year to \$770,743.
- The Secondary Roads Fund balance decreased approximately \$393,000 from the prior year. Expenditures increased approximately \$322,500 over the prior year, due primarily to an increase in road and bridge projects. Revenues decreased approximately \$250,000 from the prior year, due primarily to less disaster related revenue than was received in the prior year.

BUDGETARY HIGHLIGHTS

Over the course of the year, Appanoose County amended its budget once. The amendment resulted in increases in budgeted receipts and disbursements related to Veterans Affairs grants and FEMA funds.

The County's total receipts were \$393,086 less than the final budget amount. Actual receipts for intergovernmental and property and other county tax were approximately \$575,000 and \$205,000, respectively, less than budgeted. This was primarily due to the County using conservative estimates in budgeting receipts.

Total disbursements were \$2,646,964 less than the amended budget. Actual disbursements for the public safety and legal services, debt service and capital projects functions were approximately \$462,000, \$622,000 and \$824,000, respectively, less than budgeted. Legal services were not as high as projected and is an unknown cost. Capital projects for the Secondary Roads Fund using FEMA funding were not completed in FY09.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2009, Appanoose County had approximately \$12.6 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		
	June 30,	
	2009	2008
Land	\$ 637,132	516,900
Buildings and improvements	681,670	701,407
Equipment and vehicles	1,868,323	1,870,588
Infrastructure	7,972,266	7,761,325
Construction in progress	1,454,480	189,635
Total	\$ 12,613,871	11,039,855
This year's major additions included:		
Mack truck-tractor	\$ 143,834	
Conservation land	120,232	
Other	102,514	
Total	\$ 366,580	

The County had depreciation expense of \$638,553 in fiscal year 2009 and total accumulated depreciation of \$4,470,026 at June 30, 2009. More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

Long-Term Debt

At June 30, 2009, Appanoose County had \$1,945,987 in long-term debt outstanding, compared to \$2,131,446 at June 30, 2008, as shown below.

Outstanding Debt of Governmental Activities at Year-End		
	June 30,	
	2009	2008
Conservation Foundation loan	\$ 90,000	-
Sewer revenue notes	-	108,066
Sewer loan	-	83,380
Honey Creek loan	390,987	400,000
Solid waste revenue bonds	1,465,000	1,540,000
Total	\$ 1,945,987	2,131,446

The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5 percent of the assessed value of all taxable property within the County's corporate limits. Appanoose County's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$17 million. Additional information about the County's long-term debt is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

From fiscal year 2008 to fiscal year 2009, the countywide and the rural services property taxable valuations increased approximately \$4.7 million and \$9 million, respectively. From fiscal year 2009 to fiscal year 2010, the countywide and the rural services property taxable valuations increased approximately \$8.3 million and \$13.4 million, respectively.

Amounts budgeted for disbursements in the fiscal year 2010 operating budget are approximately \$9.7 million, an increase of 2.5% over the fiscal year 2009 actual disbursements of approximately \$9.5 million. The County's total governmental funds are projected to end fiscal year 2010 with an increase in fund balances of approximately \$224,000 over fiscal year 2009.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Appanoose 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 Appanoose County Auditor's Office, 201 N. 12th, Centerville, Iowa 52544.

Appanoose County

Basic Financial Statements

Exhibit A

Appanoose County
Statement of Net Assets
June 30, 2009

	<u>Governmental Activities</u>
Assets	
Cash and pooled investments:	
County Treasurer	\$ 7,275,799
Conservation Foundation	40,817
Receivables:	
Property tax:	
Delinquent	36,623
Succeeding year	3,702,000
Interest and penalty on property tax	20,718
Accounts	1,864
Loan	1,465,000
Accrued interest	1,379
Due from other governments	924,834
Inventories	241,747
Prepaid expenses	100,477
Capital assets - depreciable (net of accumulated depreciation)	10,522,259
Capital assets - non-depreciable	2,091,612
Total assets	<u>26,425,129</u>
Liabilities	
Accounts payable	506,688
Accrued interest payable	11,933
Salaries and benefits payable	25,497
Due to other governments	956,379
Deferred revenue:	
Succeeding year property tax	3,702,000
Other	307,588
Long-term liabilities:	
Portion due or payable within one year:	
Honey Creek loan	37,245
Solid waste revenue bonds	80,000
Compensated absences	193,175
Portion due or payable after one year:	
Conservation Foundation loan	90,000
Honey Creek loan	353,742
Solid waste revenue bonds	1,385,000
Compensated absences	31,190
Total liabilities	<u>7,680,437</u>
Net Assets	
Invested in capital assets, net of related debt	12,523,871
Restricted for:	
Supplemental levy purposes	1,528,613
Mental health purposes	533,835
Secondary roads purposes	1,132,357
Debt service	250
Other purposes	389,789
Unrestricted	2,635,977
Total net assets	<u>\$ 18,744,692</u>

See notes to financial statements.

Appanoose County
Statement of Activities
Year ended June 30, 2009

	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	\$ 1,848,979	102,613	321,185	-	(1,425,181)
Physical health and social services	741,280	84,233	347,997	-	(309,050)
Mental health	1,080,561	-	771,704	-	(308,857)
County environment and education	371,085	11,246	77,167	-	(282,672)
Roads and transportation	3,807,520	46,723	2,140,909	2,173,290	553,402
Governmental services to residents	414,322	196,182	9,379	-	(208,761)
Administration	755,796	10,049	78,153	-	(667,594)
Non-program	435,508	351,610	-	-	(83,898)
Interest on long-term debt	98,254	-	207,993	-	109,739
Total	\$ 9,553,305	802,656	3,954,487	2,173,290	(2,622,872)
General Revenues:					
Property and other county tax levied for general purposes					3,590,325
Penalty and interest on property tax					75,480
State tax credits					226,408
Local option sales and services tax					494,887
Hotel/motel tax					106,218
Unrestricted investment earnings					83,941
Miscellaneous					37,952
Total general revenues					4,615,211
Change in net assets					1,992,339
Net assets beginning of year					16,752,353
Net assets end of year					\$ 18,744,692

See notes to financial statements.

Appanoose County
Balance Sheet
Governmental Funds

June 30, 2009

Assets	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Cash and pooled investments:				
County Treasurer	\$ 3,634,921	1,514,447	696,390	888,946
Conservation Foundation	-	-	-	-
Receivables:				
Property tax:				
Delinquent	27,302	6,317	3,004	-
Succeeding year	2,468,000	571,000	663,000	-
Interest and penalty on property tax	20,718	-	-	-
Accounts	778	-	-	1,086
Loan	1,465,000	-	-	-
Accrued interest	1,373	-	-	-
Due from other governments	111,641	33,727	75,421	668,333
Inventories	-	-	-	241,747
Prepaid expenditures	100,477	-	-	-
Total assets	\$ 7,830,210	2,125,491	1,437,815	1,800,112
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 81,901	61,266	469	211,472
Salaries and benefits payable	8,023	-	599	16,153
Due to other governments	-	956,379	-	-
Deferred revenue:				
Succeeding year property tax	2,468,000	571,000	663,000	-
Other	107,735	6,317	3,004	711,045
Total liabilities	2,665,659	1,594,962	667,072	938,670
Fund balances:				
Reserved for:				
Supplemental levy purposes	1,529,475	-	-	-
Debt service	-	-	-	-
Loan receivable	1,465,000	-	-	-
Unreserved, reported in:				
General fund	2,170,076	-	-	-
Special revenue funds	-	530,529	770,743	861,442
Total fund balances	5,164,551	530,529	770,743	861,442
Total liabilities and fund balances	\$ 7,830,210	2,125,491	1,437,815	1,800,112

See notes to financial statements.

Nonmajor	Total
314,724	7,049,428
40,817	40,817
-	36,623
-	3,702,000
-	20,718
-	1,864
-	1,465,000
6	1,379
35,712	924,834
-	241,747
-	100,477
391,259	13,584,887
498	355,606
722	25,497
-	956,379
-	3,702,000
10,571	838,672
11,791	5,878,154
-	1,529,475
250	250
-	1,465,000
-	2,170,076
379,218	2,541,932
379,468	7,706,733
391,259	13,584,887

Appanoose County

Appanoose County

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

June 30, 2009

Total governmental fund balances (page 19) \$ 7,706,733

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 \$17,083,897 and the accumulated depreciation is \$4,470,026. 12,613,871

Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the governmental funds. 531,084

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. 75,289

Long-term liabilities, including loans, bonds, compensated absences and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds. (2,182,285)

Net assets of governmental activities (page 16) \$ 18,744,692

See notes to financial statements.

Appanoose County

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

Year ended June 30, 2009

	Special Revenue		
	General	Mental Health	Rural Services
Revenues:			
Property and other county tax	\$ 2,396,660	521,298	604,514
Local option sales and services tax	-	-	296,933
Interest and penalty on property tax	75,235	-	-
Intergovernmental	958,433	794,959	77,582
Licenses and permits	150	-	-
Charges for service	298,222	-	3,409
Use of money and property	80,282	-	-
Miscellaneous	104,181	924	-
Total revenues	3,913,163	1,317,181	982,438
Expenditures:			
Operating:			
Public safety and legal services	1,475,640	-	293,830
Physical health and social services	702,149	-	24,950
Mental health	-	1,075,797	-
County environment and education	264,704	-	74,904
Roads and transportation	-	-	-
Governmental services to residents	400,068	-	-
Administration	719,367	-	-
Debt service	141,757	-	-
Capital projects	-	-	-
Total expenditures	3,703,685	1,075,797	393,684
Excess (deficiency) of revenues over (under) expenditures	209,478	241,384	588,754
Other financing sources (uses):			
Operating transfers in	-	-	-
Operating transfers out	(2,195)	-	(495,940)
Loan proceeds	-	-	-
Total other financing sources (uses)	(2,195)	-	(495,940)
Net change in fund balances	207,283	241,384	92,814
Fund balances beginning of year	4,957,268	289,145	677,929
Fund balances end of year	\$ 5,164,551	530,529	770,743

See notes to financial statements.

Secondary Roads	Nonmajor	Total
-	115,201	3,637,673
98,977	98,977	494,887
-	-	75,235
2,758,188	136,836	4,725,998
2,640	-	2,790
-	2,260	303,891
-	596	80,878
46,568	82,744	234,417
2,906,373	436,614	9,555,769
-	68,460	1,837,930
-	-	727,099
-	-	1,075,797
-	193,225	532,833
3,377,865	-	3,377,865
-	1,817	401,885
-	3,226	722,593
-	221,597	363,354
417,520	-	417,520
3,795,385	488,325	9,456,876
(889,012)	(51,711)	98,893
495,940	2,195	498,135
-	-	(498,135)
-	90,000	90,000
495,940	92,195	90,000
(393,072)	40,484	188,893
1,254,514	338,984	7,517,840
861,442	379,468	7,706,733

Appanoose County

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

Year ended June 30, 2009

Net change in fund balances - Total governmental funds (page 23) \$ 188,893

**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	\$ 818,378	
Capital assets contributed by the Iowa Department of Transportation and others	1,394,191	
Depreciation expense	<u>(638,553)</u>	1,574,016

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	10,550	
Other	<u>229,865</u>	240,415

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

Issued	(90,000)	
Repaid	<u>275,459</u>	185,459

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

Compensated absences	(6,476)	
Interest on long-term debt	<u>5,309</u>	(1,167)

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.

(195,277)

Change in net assets of governmental activities (page 17) \$ 1,992,339

See notes to financial statements.

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

	<u>Internal Service - Employee Group Health</u>
Assets	
Cash and cash equivalents	\$ 226,371
Liabilities	
Accounts payable	<u>151,082</u>
Net Assets	
Unrestricted	<u>\$ 75,289</u>

See notes to financial statements.

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

Year ended June 30, 2009

		<u>Internal Service - Employee Group Health</u>
Operating revenues:		
Contributions and reimbursements from operating funds		\$ 510,712
Reimbursements from employees and others		129,645
Refunds		193,210
Total operating revenues		<u>833,567</u>
Operating expenses:		
Medical and health services	\$ 864,250	
Accounting, auditing and clerical	650	
Supplemental insurance	167,584	
Miscellaneous	19	1,032,503
Operating loss	<u> </u>	<u>(198,936)</u>
Non-operating revenues:		
Interest income		3,659
Net loss		<u>(195,277)</u>
Net assets beginning of year		<u>270,566</u>
Net assets end of year		<u>\$ 75,289</u>

See notes to financial statements.

Appanoose County
Statement of Cash Flows
Proprietary Fund
Year ended June 30, 2009

	<u>Internal Service - Employee Group Health</u>
Cash flows from operating activities:	
Cash received from operating fund reimbursements	\$ 510,712
Cash received from employees and others	129,645
Cash received from refunds	193,210
Cash paid to suppliers for services	(917,989)
Net cash used by operating activities	<u>(84,422)</u>
Cash flows from investing activities:	
Interest on investments	<u>3,659</u>
Net decrease in cash and cash equivalents	(80,763)
Cash and cash equivalents beginning of year	<u>307,134</u>
Cash and cash equivalents end of year	<u><u>\$ 226,371</u></u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (198,936)
Adjustment to reconcile operating loss to net cash used by operating activities:	
Decrease in accounts payable	<u>114,514</u>
Net cash used by operating activities	<u><u>\$ (84,422)</u></u>

See notes to financial statements.

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

Assets

Cash and pooled investments:	
County Treasurer	\$ 681,044
Other County officials	62,787
Receivables:	
Property tax:	
Delinquent	121,306
Succeeding year	8,510,000
Accrued interest	15
Special assessments	15,000
Accounts	13,454
Due from other governments	3,496
Total assets	<u>9,407,102</u>

Liabilities

Accounts payable	25,313
Due to other governments	9,288,188
Trusts payable	88,501
Compensated absences	5,100
Total liabilities	<u>9,407,102</u>

Net assets \$ -

See notes to financial statements.

Appanoose County

Notes to Financial Statements

June 30, 2009

(1) Summary of Significant Accounting Policies

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

These financial statements present Appanoose County (the primary government) and its component unit. The component unit discussed below is included in the County's reporting entity because of the significance of its operational or financial relationship with the County.

Blended Component Unit – The Conservation Foundation is legally separate from the County, but it is so intertwined with the County it is, in substance, the same as the County. It is reported as part of the County and blended into the Special Revenue Funds.

The Conservation Foundation has been incorporated under Chapter 504A of the Code of Iowa to solicit and accept gifts from persons or organizations for the development and enhancement of environmental education and conservation projects. These donations are to be used to purchase items which are not included in the County's budget. Financial information of the Foundation can be obtained from the Appanoose County Conservation Office.

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: Appanoose County Assessor’s Conference Board and Appanoose 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: Appanoose County Service Agency, South Iowa Area Detention Service Agency, Rathbun Area Solid Waste Management Commission, ADLM Emergency Management, ADLM Counties Environmental Public Health Agency, ADLM Facilities Management Systems Commission and South Iowa Area Crime Commission Service Agency.

B. Basis of Presentation

Government-wide Financial Statements – The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the County and its component unit. 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 the 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, 2007 assessed property valuations; is for the tax accrual period July 1, 2008 through June 30, 2009 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2008.

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

Special Assessments Receivable – Special assessments receivable represent the amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in not less than 10 nor more than 20 annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Special assessments receivable represent assessments which are due and payable but have not been collected.

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

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

Capital Assets – Capital assets, which include property, equipment and vehicles, and infrastructure assets acquired after July 1, 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, buildings and improvements	25,000
Equipment and vehicles	5,000

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

Asset Class	Estimated Useful lives (In Years)
Buildings	40-50
Building improvements	20-50
Infrastructure	10-65
Equipment	2-20
Vehicles	3-10

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

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

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

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and compensatory time hours for subsequent use or for payment upon termination, death or retirement. Accumulated sick leave is generally paid upon retirement. Such payment shall not exceed 90 days or a total dollar amount of \$2,000 for noncontract employees at least age 62 and \$2,700 for secondary roads contract employees. 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, 2009. The compensated absences liability attributable to the governmental activities will be paid primarily by the General, Mental Health, Rural Services and Secondary Roads Funds.

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, Employee Group Health Fund is designated for anticipated future catastrophic losses of the County.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2009, disbursements did not exceed the amounts budgeted.

(2) Cash and Pooled Investments

The County's deposits in banks at June 30, 2009 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

At June 30, 2009, the County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$6,177,263 pursuant to Rule 2a-7 under the Investment Company Act of 1940. The investment in the Iowa Agency Investment Trust is unrated for credit risk purposes.

(3) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2009 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Special Revenue: Secondary Roads	Special Revenue: Rural Services	\$ 495,940
Prisoner Room and Board	General	2,195
Total		<u>\$ 498,135</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, 2009 was as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>Beginning of</u>			<u>End</u>
	<u>Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>of Year</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 516,900	120,232	-	637,132
Construction in progress, road network	189,635	1,845,989	(581,144)	1,454,480
Total capital assets not being depreciated	<u>706,535</u>	<u>1,966,221</u>	<u>(581,144)</u>	<u>2,091,612</u>
Capital assets being depreciated:				
Buildings	1,023,871	-	-	1,023,871
Equipment and vehicles	4,315,555	246,348	(9,750)	4,552,153
Infrastructure, other	998,530	-	-	998,530
Infrastructure, road network	7,836,587	581,144	-	8,417,731
Total capital assets being depreciated	<u>14,174,543</u>	<u>827,492</u>	<u>(9,750)</u>	<u>14,992,285</u>
Less accumulated depreciation for:				
Buildings	322,464	19,737	-	342,201
Equipment and vehicles	2,444,967	248,613	(9,750)	2,683,830
Infrastructure, other	192,021	23,974	-	215,995
Infrastructure, road network	881,771	346,229	-	1,228,000
Total accumulated depreciation	<u>3,841,223</u>	<u>638,553</u>	<u>(9,750)</u>	<u>4,470,026</u>
Total capital assets being depreciated, net	<u>10,333,320</u>	<u>188,939</u>	<u>-</u>	<u>10,522,259</u>
Governmental activities capital assets, net	<u>\$ 11,039,855</u>	<u>2,155,160</u>	<u>(581,144)</u>	<u>12,613,871</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 38,048
Physical health and social services	3,823
County environment and education	37,942
Roads and transportation	540,883
Administration	17,857
Total depreciation expense - governmental activities	<u>\$ 638,553</u>

(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
Special Revenue:		
Mental Health	Services	\$ 956,379
Agency:		
Agricultural Extension Education	Collections	\$ 89,742
County Assessor		265,252
Schools		5,631,171
Community Colleges		308,261
Corporations		2,340,324
Townships		179,378
Auto License and Use Tax		210,290
ADLM Empowerment		142,677
All other		121,093
Total for agency funds		\$ 9,288,188

(6) Long-Term Liabilities

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

	Conservation Foundation Loan	Sewer Revenue Notes	Sewer Loan	Honey Creek Loan	Solid Waste Revenue Bonds	Compen- sated Absences	Total
Balance beginning of year	\$ -	108,066	83,380	400,000	1,540,000	217,889	2,349,335
Increases	90,000	-	-	-	-	180,800	270,800
Decreases	-	108,066	83,380	9,013	75,000	174,324	449,783
Balance end of year	\$ 90,000	-	-	390,987	1,465,000	224,365	2,170,352
Due within one year	\$ -	-	-	37,245	80,000	193,175	310,420

Conservation Foundation Loan

On August 27, 2008, the Conservation Foundation entered into a loan with Iowa Trust and Savings Bank to borrow \$90,000 to purchase land. The interest rate on the loan was 6.0% per annum with an initial maturity date of August 27, 2009. The maturity date for the loan was extended to August 27, 2010.

Sewer Revenue Notes

On January 13, 2000, the County entered into a loan agreement with the United States Department of Agriculture providing for the issuance of \$116,200 of sewer revenue notes. The note proceeds were used to defray a portion of the cost of constructing sanitary sewer mains to private septic systems maintained outside the City of Centerville and to connect these mains to the City's wastewater treatment facilities. During the year ended June 30, 2009, the County paid the remaining principal and interest on the notes.

Sewer Loan

On June 6, 2005, the County entered into a loan agreement to fund sewer line construction along State Highway J South. The loan was scheduled to be repaid in ten annual payments of \$18,036, including interest at 8% per annum. During the year ended June 30, 2009, the County paid the remaining principal and interest on the loan.

Honey Creek Loan

In March 2008, Appanoose County entered into a loan agreement with Iowa Trust and Savings Bank for \$400,000, of which \$357,250 was remitted to the Iowa Department of Natural Resources and \$42,750 was remitted to the Rathbun Lake Resort, Inc. to be deposited in a separate account. Principal and interest is payable in 35 equal quarterly installments of \$13,613 beginning on June 1, 2009 and continuing through March 1, 2018, as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2010	4.25%	\$ 37,245	17,208	54,453
2011	4.25	38,973	15,480	54,453
2012	4.25	40,745	13,708	54,453
2013	4.25	42,673	11,780	54,453
2014	4.25	44,654	9,800	54,454
2015-2018	4.25	186,697	17,505	204,202
Total		\$ 390,987	85,481	476,468

The County plans to use hotel/motel tax revenue to repay the debt.

Solid Waste Revenue Bonds

On September 18, 2007, the County issued solid waste revenue bonds of \$1,540,000 for the Rathbun Area Solid Waste Management Commission (RASWMC). The County loaned the bond proceeds to RASWMC to be used to pay costs of acquiring works and facilities useful for collection and disposal of solid waste by the Rathbun Area Solid Waste Management Commission on behalf of Appanoose County, including the acquisition of vehicles, rolling stock and other related equipment to be used in connection with the collection, transportation and disposal of solid waste in conformity with a resolution of the Board of Supervisors. The bonds will be paid from the General Fund from the loan repayments from RASWMC. The principal balance on the bonds at June 30, 2009 totaled \$1,465,000.

(7) Loan Receivable

The County entered into an agreement with the Rathbun Area Solid Waste Management Commission for the loan of bond proceeds detailed in Note 6 of the notes to financial statements. Under the agreement, the RASWMC is to make annual payments to the County equal to the annual bond payments required on the revenue bonds. The annual principal and interest payments from RASWMC are credited to the General Fund. The following is a schedule of the future payments to be received by the County.

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2010	4.15%	\$ 80,000	63,645	143,645
2011	4.15	80,000	60,325	140,325
2012	4.15	85,000	57,005	142,005
2013	4.15	90,000	53,477	143,477
2014	4.15	90,000	49,743	139,743
2015-2019	4.15-4.30	355,000	198,575	553,575
2020-2024	4.35-4.55	400,000	121,467	521,467
2025-2027	4.60-4.70	285,000	27,075	312,075
Total		\$ 1,465,000	631,312	2,096,312

(8) Pension and Retirement Benefits

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

Most regular plan members are required to contribute 4.10% of their annual covered salary and the County is required to contribute 6.35% of covered salary. Certain employees in special risk occupations and the County contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2009, 2008 and 2007 were \$179,622, \$166,913 and \$162,649, respectively, equal to the required contributions for each year.

(9) Risk Management

The County is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(10) Employee Health Insurance Plan

The Internal Service, Employee Group Health Fund was established to account for the partial self funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Auxiant, formerly Employee Group Services, Ltd. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of \$35,000. 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 Auxiant from the Employee Group Health Fund. The County records the plan assets and related liabilities of the Employee Group Health Fund as an Internal Service Fund. The County's contribution to the fund for the year ended June 30, 2009 was \$510,712.

Amounts payable from the Employee Group Health Fund at June 30, 2009 total \$151,082, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior year and current year claims and to establish a reserve for catastrophic losses. That reserve was \$75,289 at June 30, 2009 and is reported as a designation of the 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 liabilities for claims for the current year is as follows:

Unpaid claims at July 1, 2008	\$ 36,568
Incurred claims (including claims incurred but not reported at June 30, 2009)	864,250
Payment on claims during the fiscal year	<u>(749,736)</u>
Unpaid claims at June 30, 2009	<u><u>\$ 151,082</u></u>

(11) Construction Commitments

The County has entered into contracts totaling \$4,050,038 for bridge construction and roadway paving. As of June 30, 2009, costs of \$1,667,426 on the projects have been incurred. The balance of \$2,382,612 remaining on the contracts at June 30, 2009 will be paid as work on the projects progresses.

Required Supplementary Information

Appanoose County
 Budgetary Comparison Schedule of
 Receipts, Disbursements and Changes in Balances -
 Budget and Actual (Cash Basis) – All Governmental Funds

Required Supplementary Information

Year ended June 30, 2009

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	\$ 4,089,490	-	4,089,490
Interest and penalty on property tax	75,247	-	75,247
Intergovernmental	5,104,656	-	5,104,656
Licenses and permits	2,870	-	2,870
Charges for service	306,024	-	306,024
Use of money and property	152,467	291	152,176
Miscellaneous	337,641	51,427	286,214
Total receipts	<u>10,068,395</u>	<u>51,718</u>	<u>10,016,677</u>
Disbursements:			
Public safety and legal services	1,836,266	-	1,836,266
Physical health and social services	712,822	-	712,822
Mental health	1,270,794	-	1,270,794
County environment and education	527,453	159,044	368,409
Roads and transportation	3,417,887	-	3,417,887
Governmental services to residents	405,740	-	405,740
Administration	715,512	-	715,512
Nonprogram	-	-	-
Debt service	352,052	-	352,052
Capital projects	418,652	-	418,652
Total disbursements	<u>9,657,178</u>	<u>159,044</u>	<u>9,498,134</u>
Excess (deficiency) of receipts over (under) disbursements	411,217	(107,326)	518,543
Other financing sources, net	90,000	90,000	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	501,217	(17,326)	518,543
Balance beginning of year	<u>6,589,028</u>	<u>58,143</u>	<u>6,530,885</u>
Balance end of year	<u>\$ 7,090,245</u>	<u>40,817</u>	<u>7,049,428</u>

See accompanying independent auditor's report.

Budgeted Amounts		Final to Net Variance
Original	Final	
4,294,366	4,294,366	(204,876)
4,000	4,000	71,247
4,659,920	5,679,636	(574,980)
750	750	2,120
267,461	267,561	38,463
100,300	100,300	51,876
62,150	63,150	223,064
<u>9,388,947</u>	<u>10,409,763</u>	<u>(393,086)</u>
2,297,890	2,297,890	461,624
788,670	798,670	85,848
1,271,393	1,271,393	599
455,096	511,482	143,073
3,167,000	3,564,021	146,134
520,366	520,366	114,626
790,415	790,415	74,903
-	173,421	173,421
974,440	974,440	622,388
1,243,000	1,243,000	824,348
<u>11,508,270</u>	<u>12,145,098</u>	<u>2,646,964</u>
(2,119,323)	(1,735,335)	2,253,878
<u>698,000</u>	<u>698,000</u>	<u>(698,000)</u>
(1,421,323)	(1,037,335)	1,555,878
<u>5,333,057</u>	<u>5,333,057</u>	<u>1,197,828</u>
<u>3,911,734</u>	<u>4,295,722</u>	<u>2,753,706</u>

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

	Governmental Funds		
	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis
Revenues	\$ 10,068,395	(512,626)	9,555,769
Expenditures	9,657,178	(200,302)	9,456,876
Net	411,217	(312,324)	98,893
Other financing sources, net	90,000	-	90,000
Beginning fund balances	6,589,028	928,812	7,517,840
Ending fund balances	\$ 7,090,245	616,488	7,706,733

See accompanying independent auditor's report.

Appanoose County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2009

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 the blended component unit, 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 ten major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds and the Debt Service 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, a budget amendment increased budgeted disbursements by \$636,828. The budget amendment is reflected in the final budgeted amounts.

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

During the year ended June 30, 2009, disbursements did not exceed the amount budgeted for any function.

Appanoose County

Other Supplementary Information

Appanoose County
 Combining Balance Sheet
 Nonmajor Governmental Funds

June 30, 2009

	County Recorder's Records Management	Resource Enhancement and Protection	Law Enforcement Forfeiture	Special Economic Development
Assets				
Cash and pooled investments:				
County Treasurer	\$ 7,509	22,751	5,222	187,453
Conservation Foundation	-	-	-	-
Accrued interest receivable	-	5	1	-
Due from other governments	-	-	-	35,712
Total assets	\$ 7,509	22,756	5,223	223,165
Fund Equity				
Liabilities:				
Accounts payable	\$ -	498	-	-
Salaries and benefits payable	-	722	-	-
Deferred revenue	-	-	-	10,571
Total liabilities	-	1,220	-	10,571
Fund equity:				
Fund balances:				
Reserved for debt service	-	-	-	-
Unreserved	7,509	21,536	5,223	212,594
Total fund equity	7,509	21,536	5,223	212,594
Total liabilities and fund balances	\$ 7,509	22,756	5,223	223,165

See accompanying independent auditor's report.

Revenue								
Honey Creek Loan	Conservation Foundation	HazMat	Prisoner Room and Board	Emergency Medical Services	Future Tax Payments	Debt Service	Total	
21,107	-	53,324	9,466	1,085	6,557	250	314,724	
-	40,817	-	-	-	-	-	40,817	
-	-	-	-	-	-	-	6	
-	-	-	-	-	-	-	35,712	
21,107	40,817	53,324	9,466	1,085	6,557	250	391,259	
-	-	-	-	-	-	-	498	
-	-	-	-	-	-	-	722	
-	-	-	-	-	-	-	10,571	
-	-	-	-	-	-	-	11,791	
-	-	-	-	-	-	250	250	
21,107	40,817	53,324	9,466	1,085	6,557	-	379,218	
21,107	40,817	53,324	9,466	1,085	6,557	250	379,468	
21,107	40,817	53,324	9,466	1,085	6,557	250	391,259	

Appanoose County

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

Year ended June 30, 2009

	County	Resource	Law	Special
	Recorder's	Enhancement	Enforcement	Economic
	Records	and	Forfeiture	Development
	Management	Protection		
Revenues:				
Property and other county tax	\$ -	-	-	20,663
Local option sales and services tax	-	-	-	98,977
Intergovernmental	-	16,384	-	-
Charges for service	2,260	-	-	-
Use of money and property	60	179	66	-
Miscellaneous	-	-	4	-
Total revenues	2,320	16,563	70	119,640
Expenditures:				
Operating:				
Public safety and legal services	-	-	1,019	-
County environment and education	-	9,507	-	24,674
Governmental services to residents	1,817	-	-	-
Administrative	-	-	-	-
Debt service	-	-	-	74,322
Total expenditures	1,817	9,507	1,019	98,996
Excess (deficiency) of revenues over (under) expenditures	503	7,056	(949)	20,644
Other financing sources:				
Operating transfers in	-	-	-	-
Loan proceeds	-	-	-	-
Total other financing sources	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures	503	7,056	(949)	20,644
Fund balances beginning of year	7,006	14,480	6,172	191,950
Fund balances end of year	\$ 7,509	21,536	5,223	212,594

See accompanying independent auditor's report.

Revenue							
Honey Creek Loan	Conservation Foundation	HazMat	Prisoner Room and Board	Emergency Medical Services	Future Tax Payments	Debt Service	Total
21,107	-	-	-	66,874	6,557	-	115,201
-	-	-	-	-	-	-	98,977
-	-	10,930	-	-	-	109,522	136,836
-	-	-	-	-	-	-	2,260
-	291	-	-	-	-	-	596
31,313	51,427	-	-	-	-	-	82,744
52,420	51,718	10,930	-	66,874	6,557	109,522	436,614
-	-	567	-	66,874	-	-	68,460
-	159,044	-	-	-	-	-	193,225
-	-	-	-	-	-	-	1,817
-	-	-	-	-	3,226	-	3,226
31,313	-	-	-	-	-	115,962	221,597
31,313	159,044	567	-	66,874	3,226	115,962	488,325
21,107	(107,326)	10,363	-	-	3,331	(6,440)	(51,711)
-	-	-	2,195	-	-	-	2,195
-	90,000	-	-	-	-	-	90,000
-	90,000	-	2,195	-	-	-	92,195
21,107	(17,326)	10,363	2,195	-	3,331	(6,440)	40,484
-	58,143	42,961	7,271	1,085	3,226	6,690	338,984
21,107	40,817	53,324	9,466	1,085	6,557	250	379,468

Appanoose County
Combining Schedule of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2009

	County Offices	Agricultural Extension Education	County Assessor	Schools	Community Colleges
Assets					
Cash and pooled investments:					
County Treasurer	\$ -	1,775	32,839	118,510	5,947
Other County officials	61,734	-	-	-	-
Receivables:					
Property tax:					
Delinquent	-	967	2,569	62,661	3,314
Succeeding year	-	87,000	241,000	5,450,000	299,000
Accrued interest	-	-	-	-	-
Special assessments	-	-	-	-	-
Accounts	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total assets	\$ 61,734	89,742	276,408	5,631,171	308,261
Liabilities					
Accounts payable	\$ -	-	7,243	-	-
Due to other governments	100	89,742	265,252	5,631,171	308,261
Trusts payable	61,634	-	-	-	-
Compensated absences	-	-	3,913	-	-
Total liabilities	\$ 61,734	89,742	276,408	5,631,171	308,261

See accompanying independent auditor's report.

Corporations	Townships	Auto License and Use Tax	Tax Sale Redemption	ADLM Empowerment	Other	Total
31,251	4,667	210,290	26,867	156,211	92,687	681,044
-	-	-	-	-	1,053	62,787
51,073	711	-	-	-	11	121,306
2,258,000	174,000	-	-	-	1,000	8,510,000
-	-	-	-	-	15	15
-	-	-	-	-	15,000	15,000
-	-	-	-	-	13,454	13,454
-	-	-	-	-	3,496	3,496
<u>2,340,324</u>	<u>179,378</u>	<u>210,290</u>	<u>26,867</u>	<u>156,211</u>	<u>126,716</u>	<u>9,407,102</u>
-	-	-	-	13,534	4,536	25,313
2,340,324	179,378	210,290	-	142,677	120,993	9,288,188
-	-	-	26,867	-	-	88,501
-	-	-	-	-	1,187	5,100
<u>2,340,324</u>	<u>179,378</u>	<u>210,290</u>	<u>26,867</u>	<u>156,211</u>	<u>126,716</u>	<u>9,407,102</u>

Appanoose County

Combining Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds

Year ended June 30, 2009

	County Offices	Agricultural Extension Education	County Assessor	Schools	Community Colleges
Balances beginning of year	\$ 73,708	82,718	281,344	5,540,789	278,008
Additions:					
Property and other county tax	-	86,848	239,474	5,433,198	297,576
E911 surcharge	-	-	-	-	-
State tax credits	-	5,153	14,692	343,317	17,264
Drivers license fees	-	-	-	-	-
Office fees and collections	278,853	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-	-
Assessments	-	-	-	-	-
Trusts	83,203	-	-	-	-
Miscellaneous	-	64	16,327	10,322	216
Total additions	362,056	92,065	270,493	5,786,837	315,056
Deductions:					
Agency remittances:					
To other funds	142,680	-	-	-	-
To other governments	87,381	85,041	275,429	5,696,455	284,803
Trusts paid out	143,969	-	-	-	-
Total deductions	374,030	85,041	275,429	5,696,455	284,803
Balances end of year	\$ 61,734	89,742	276,408	5,631,171	308,261

See accompanying independent auditor's report.

Corpora- tions	Townships	Auto License and Use Tax	Tax Sale Redemption	ADLM Empowerment	Other	Total
2,099,420	193,136	209,744	39,414	451,482	152,223	9,401,986
2,327,436	169,527	-	-	-	1,101	8,555,160
-	-	-	-	-	26,038	26,038
129,403	11,083	-	-	-	603	521,515
-	-	88,045	-	-	-	88,045
-	-	-	-	-	-	278,853
-	-	2,502,403	-	-	-	2,502,403
-	-	-	-	-	3,732	3,732
-	-	-	229,765	-	-	312,968
4,404	-	-	-	592,948	142,531	766,812
2,461,243	180,610	2,590,448	229,765	592,948	174,005	13,055,526
-	-	124,144	-	-	-	266,824
2,220,339	194,368	2,465,758	-	888,219	199,512	12,397,305
-	-	-	242,312	-	-	386,281
2,220,339	194,368	2,589,902	242,312	888,219	199,512	13,050,410
2,340,324	179,378	210,290	26,867	156,211	126,716	9,407,102

Appanoose County

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

For the Last Nine Years

	2009	2008	2007	2006
Revenues:				
Property and other county tax	\$ 3,637,673	3,503,441	3,400,281	3,348,920
Local option sales and services tax	494,887	528,769	524,312	539,546
Interest and penalty on property tax	75,235	66,110	59,851	125,241
Intergovernmental	4,725,998	4,519,436	3,906,383	4,200,496
Licenses and permits	2,790	3,115	1,150	1,273
Charges for service	303,891	320,864	314,365	305,369
Use of money and property	80,878	261,837	231,993	229,351
Miscellaneous	234,417	238,469	123,823	164,629
Total	\$ 9,555,769	9,442,041	8,562,158	8,914,825
Expenditures:				
Operating:				
Public safety and legal services	\$ 1,837,930	1,463,922	1,393,793	1,398,772
Physical health and social services	727,099	672,941	646,051	672,060
Mental health	1,075,797	1,166,537	1,232,827	1,239,386
County environment and education	532,833	701,906	501,580	664,331
Roads and transportation	3,377,865	3,350,109	3,136,545	3,420,703
Governmental services to residents	401,885	342,162	320,105	455,216
Administration	722,593	689,098	656,539	651,470
Debt service	363,354	92,781	42,513	14,793
Capital projects	417,520	122,777	219,196	3,632,037
Total	\$ 9,456,876	8,602,233	8,149,149	12,148,768

See accompanying independent auditor's report.

Modified Accrual Basis				
2005	2004	2003	2002	2001
3,058,156	2,979,791	2,917,055	2,605,058	2,555,088
318,080	-	-	-	-
56,042	62,284	56,392	54,162	52,042
5,542,511	5,480,691	5,590,715	3,588,068	3,867,205
1,095	71,649	2,946	67,019	52,820
290,879	332,619	312,847	256,193	254,022
138,687	26,975	37,884	72,694	147,586
172,245	142,631	94,523	98,626	105,587
9,577,695	9,096,640	9,012,362	6,741,820	7,034,350
1,317,975	1,342,719	1,427,258	1,337,345	1,300,341
660,911	883,444	584,009	811,548	819,286
874,074	1,146,711	978,318	1,181,582	1,239,208
381,317	244,308	237,012	348,224	233,879
3,326,026	2,664,836	2,458,484	2,263,656	1,968,983
307,411	310,280	262,480	250,279	231,834
630,922	815,365	740,411	580,887	561,422
23,311	6,440	6,440	5,229	2,421
1,220,545	256,873	381,350	1,015	-
8,742,492	7,670,976	7,075,762	6,779,765	6,357,374

Schedule 6

Appanoose County

Schedule of Expenditures of Federal Awards

Year ended June 30, 2009

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 10,966
U.S. Department of Transportation:			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	BROS-C004 (75)--8J-04	56,241
Highway Planning and Construction	20.205	BROS-C004 (72)--8J-04	193,850
			<u>250,091</u>
U.S. Department of Health and Human Services:			
Des Moines County Public Health:			
Public Health Emergency Preparedness	93.069	BT04	8,725
Public Health Emergency Preparedness	93.069	04BT	11,099
			<u>19,824</u>
Iowa Department of Public Health:			
Immunization Grants	93.268	5888I404	1,524
Immunization Grants	93.268	5889I404	968
			<u>2,492</u>
Centers for Disease Control and Prevention - Investigations and Technical Assistance			
	93.283	5888WW01	14,674
Centers for Disease Control and Prevention - Investigations and Technical Assistance			
	93.283	5886WW14	2,100
			<u>16,774</u>
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs			
	93.919	5889NB01	29,105
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Temporary Assistance for Needy Families	93.558		10,140
Refugee and Entrant Assistance - State Administered Programs			
	93.566		17
Child Care Mandatory and Matching Funds of the Child Care and Development Fund			
	93.596		2,901
Foster Care - Title IV-E	93.658		6,090
Adoption Assistance	93.659		1,477
State Children's Insurance Program	93.767		83
Medical Assistance Program	93.778		13,319
Social Services Block Grant	93.667		6,645
Social Services Block Grant	93.667		92,483
			<u>99,128</u>

Appanoose County
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2009

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Indirect (continued):			
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	DR1727 DR1737 DR1763	230,229 84,660 556,970 <u>871,859</u>
Hazard Mitigation Grant	97.039	DR-1705-0004-00	<u>25,893</u>
Emergency Management Performance Grants	97.042		<u>31,652</u>
Total			<u>\$ 1,391,811</u>

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

Appanoose County



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

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

To the Officials of Appanoose County:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Appanoose County, Iowa, as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements listed in the table of contents, and have issued our report thereon dated March 3, 2010. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Appanoose 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 Appanoose County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Appanoose 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 Appanoose 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 Appanoose County's financial statements that is more than inconsequential will not be prevented or detected by Appanoose County's internal control. We consider the deficiencies in internal control described in Part II of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

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

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

Compliance and Other Matters


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

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

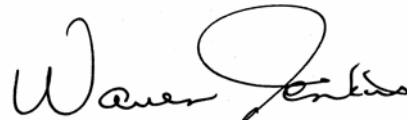
Appanoose County's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the County's responses, we did not audit Appanoose County's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Appanoose County and other parties to whom Appanoose 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 Appanoose 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 3, 2010

**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**

Appanoose County



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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

To the Officials of Appanoose County:

Compliance

We have audited the compliance of Appanoose 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 program for the year ended June 30, 2009. Appanoose County's major federal program is 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 its major federal program is the responsibility of Appanoose County's management. Our responsibility is to express an opinion on Appanoose 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 the major federal program occurred. An audit includes examining, on a test basis, evidence about Appanoose 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 Appanoose County's compliance with those requirements.

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

Internal Control Over Compliance

The management of Appanoose 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 Appanoose 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 Appanoose County's internal control over compliance.

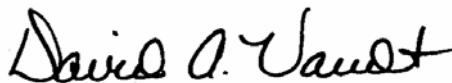
Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the County's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed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

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. We consider the deficiencies in internal control over compliance described in Part III of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

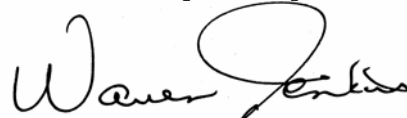
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control. However, we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

Appanoose County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the County's responses, we did not audit Appanoose 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 Appanoose County and other parties to whom Appanoose 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 3, 2010

Appanoose County
Schedule of Findings and Questioned Costs
Year ended June 30, 2009

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) Significant deficiencies in internal control over the major program were disclosed by the audit of the financial statements, none of which were considered to be material weaknesses.
- (e) An unqualified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit disclosed 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 program was 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) Appanoose County did not qualify as a low-risk auditee.

Appanoose County

Schedule of Findings and Questioned Costs

Year ended June 30, 2009

Part II: Findings Related to the Financial Statements:

SIGNIFICANT DEFICIENCIES:

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

	<u>Applicable Offices</u>
(1) Incoming mail is not opened by an employee who is not authorized to make entries to the accounting records.	Sheriff, Treasurer and Recorder
(2) Bank accounts are not reconciled at the end of each month by an individual who does not sign checks, handle or record cash.	Treasurer and Recorder
(3) Checks are not signed by an individual who does not otherwise participate in the preparation of the checks.	Sheriff and Recorder
(4) Collection, deposit preparation and reconciliation functions are not segregated from the recording and accounting for cash receipts.	Sheriff, Treasurer and Recorder

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

Responses:

Sheriff – We will have an independent employee either perform a reconciliation or review reconciliations performed. Independent reviewer will initial and date the reconciliation as evidence of review.

Recorder – In response to segregation of duties, it’s very hard to segregate duties when there are only two people in the office. One person opens the mail and enters documents in the fee book. The other person enters the transaction on the cash register and computer. One person makes out the daily deposit and the other person checks the deposit. The Recorder and the Deputy Recorder will review and initial daily balance sheets and bank statements.

Appanoose County

Schedule of Findings and Questioned Costs

Year ended June 30, 2009

Treasurer – As stated, segregation of duties is difficult with limited staff and a heavy workload and mandated duties. I will try my best to have someone review and initial as requested. This is indeed a reliable double check.

Conclusions – Responses accepted.

- II-B-09 Financial Reporting – During the audit, we identified material amounts of revenues, expenditures, receivables 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 revenues, expenditures, receivables and payables are identified and included in the County's financial statements.

Response – We will work to ensure this is done.

Conclusion - Response accepted.

- II-C-09 Information Systems – The County does not have a written disaster recovery plan for its computer based operating systems.

Recommendation – The County should develop a written disaster recovery plan in order to improve the County's control over computer based systems.

Response – We will work on this.

Conclusion – Response accepted.

- II-D-09 Capital Assets – The County's capital asset listing was not updated for additions and deletions. This was resolved for audit purposes.

Recommendation – Procedures should be implemented to ensure the capital assets listing is updated for additions and deletions in a timely manner.

Response – We will work on these procedures.

Conclusion – Response accepted.

- II-E-09 County Mental Health Department – The County receives medicaid billings from the Iowa Department of Human Services (DHS) each month. The County Mental Health Department is responsible for reviewing the billings and entering the data into the CoMIS computer system. The CoMIS computer system generates an amount payable to DHS which is submitted to the County Auditor's Office for payment. The Mental Health Department did not enter the medicaid data into the CoMIS system or generate payments to DHS in a timely manner. As a result, the County has not paid DHS for medicaid billings dating back as far as September 1997. The amount owed for the billings at June 30, 2009 totals \$95,909. These billings are included in the Due to Other Governments liability on the governmental funds Balance Sheet and the Statement of Net Assets.

Appanoose County

Schedule of Findings and Questioned Costs

Year ended June 30, 2009

Recommendation – The County’s Central Point Coordinator (CPC) should implement procedures to ensure the medicaid billings are entered into the CoMIS computer system in a timely manner. Also, the CPC should ensure payments to DHS are made in a timely manner.

Response – We will work with the CPC to get this resolved.

Conclusion – Response accepted.

II-F-09 State Warrant – State warrants were not deposited timely with the County Treasurer by the County Engineer, Agricultural Extension Office, County Sheriff and Board of Health.

Recommendation – All receipts should be deposited timely.

Responses:

County Engineer – We deposit our checks every Wednesday with the County Treasurer. We will track state warrants, in particular, to make sure issued and deposited dates are noted and we are meeting requirements. We will review procedures to ensure these transactions are deposited timely.

Agricultural Extension Office – We will make deposits a minimum of twice monthly effective immediately. We will work to ensure deposits are timely.

County Sheriff – We will deposit state warrants timely and attempt to deposit within 15 days. It should be noted state warrants do not have a mail date verification so the State may not mail a warrant in timely manner to allow deposit in the required time limits.

Public Health – We will deposit state warrants on date received from now moving forward.

Conclusions – Responses accepted.

II-G-09 General Assistance – Acting as the fiscal agent, the General Assistance Director maintains a separate bank account for state and federal grants related to the Appanoose, Davis, Lucas and Monroe County Decategorization Board. The activity is not accounted for as a fund in the County’s accounting system but, for audit purposes, the activity has been included as an Agency Fund.

The Decategorization Board may act as a committee of the Empowerment Board if an Empowerment area includes a decategorization project in accordance with Chapter 28.7(c) of the Code of Iowa. The Empowerment Board has designated Appanoose County as the fiscal agent for grant and other moneys administered by the Empowerment Board as required by Chapter 28.7(a) of the Code of Iowa.

Recommendation – Since the County acts as the fiscal agent of the Empowerment Board, the grant activity accounted for in the separate bank account should be included as an Agency Fund of the County and should be recorded in the receipt and disbursement cycles of the County’s accounting system.

Appanoose County

Schedule of Findings and Questioned Costs

Year ended June 30, 2009

Response – I am trying to get DHS to spend the money. There is only approximately \$330 left. I will check with the County Auditor to find what needs to be done for them to take the money as an agency account.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Appanoose County

Schedule of Findings and Questioned Costs

Year ended June 30, 2009

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

SIGNIFICANT DEFICIENCIES:

**CFDA Number 97.036: Disaster Grants – Public Assistance
(Presidentially Declared Disasters)**

Pass-through Number: DR 1763

Federal Award Year: 2009

U.S. Department of Homeland Security

Passed through the Iowa Department of Public Defense,

Iowa Homeland Security and Emergency Management Division

III-A-09 Equipment Rates – According to OMB Circular A-133 Compliance Supplement “The PA program restricts eligible direct costs for applicant-owned equipment used to perform eligible work to reasonable rates that were established under State guidelines, or when the hourly rate exceeds \$75, rates may be determined on a case-by-case basis by FEMA. When local guidelines are used to establish equipment rates, reimbursement is based on those rates or rates in a Schedule of Equipment Rates published by FEMA, whichever is lower.” The rates to be used are those in effect at the time of the disaster, rather than when the work is completed. These would have been the rates used when the project worksheet (PW) was approved. The County used current rates rather than the rates approved on the PW for certain types of equipment used for two small projects and one large project tested.

This error does not result in questioned costs for the small projects since they receive the approved estimated amount regardless of the actual costs. This also does not result in questioned costs for the large project since actual costs are much higher than the approved estimate and the project has not been closed out.

Recommendation – The County should implement procedures to ensure the proper rate is being charged for equipment rates.

Response and Corrective Action planned – The Secondary Roads Department will implement procedures to ensure the proper equipment rental rate is being used. This can be difficult because FEMA rules are constantly changing and a rule for one disaster may be different for the next disaster. The Office Manager will review all equipment rates used per disaster to ensure we are using the correct rate, as well as review the equipment code. Instructions change per FEMA personnel and we were following what we were told. It has been pointed out to the County during the audit one should use the equipment rates effective at the time the disaster was declared. We had been instructed differently by personnel but will make sure to follow that rule from here on out.

Conclusion – Response accepted.

Appanoose County

Schedule of Findings and Questioned Costs

Year ended June 30, 2009

III-B-09 Program Reporting – The public assistance administrative plan from the Iowa Department of Public Defense, Iowa Homeland Security and Emergency Management Division requires quarterly reports for all open projects for each disaster. These quarterly reports are prepared by the County Engineer’s assistant. However, there is no independent review or reconciliation of the information presented.

Recommendation – The County should implement procedures to provide for an independent review of all reports for reasonableness and completeness.

Response and Corrective Action planned – We were unaware this report needed to be reviewed internally. From here on, we will have the Engineer review the quarterly reports prior to submittal.

Conclusion – Response accepted.

III-C-09 Program Reporting – The public assistance administrative plan from the Iowa Department of Public Defense, Iowa Homeland Security and Emergency Management Division requires quarterly reports for all open projects for each disaster. Quarterly reports for those projects under the control of the Appanoose County Conservation Board (ACCB) were not submitted during the year ended June 30, 2009.

Recommendation – The Appanoose County Conservation Board should implement procedures to ensure the required reports are submitted as required.

Response and Corrective Action planned – In the future, the ACCB will in good faith complete the quarterly reports as required.

Conclusion – Response accepted.

Appanoose County

Schedule of Findings and Questioned Costs

Year ended June 30, 2009

Part IV: Other Findings Related to Required Statutory Reporting:

IV-A-09 Certified Budget – Disbursements during the year ended June 30, 2009 did not exceed the amounts budgeted by function.

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

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

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

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

IV-G-09 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.

IV-H-09 Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

IV-I-09 County Extension Office – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an Extension Council separate and distinct from County operations and, consequently, is not included in Exhibits A or B.

Disbursements during the year ended June 30, 2009 for the County Extension Office did not exceed the amount budgeted.

IV-J-09 Rent on Conservation Residence – The County Conservation Board's residence policy provides for a housing allowance to be paid to an employee residing in a County owned residence. The policy states the housing allowance is equal to the amount of rent charged by the County to the employee.

During the year ended June 30, 2009, the County paid \$6,000 in housing allowance to the conservation employee. The allowance was paid through payroll and was subject to federal and state income tax withholdings, as well as FICA and IPERS.

The rent income was credited to the Appanoose Conservation Foundation rather than to the County. Chapter 331.427 of the Code of Iowa requires all county revenues from taxes and other sources for general county services be credited to the General Fund of the County.

Appanoose County

Schedule of Findings and Questioned Costs

Year ended June 30, 2009

Recommendation – All County revenue should be credited to the County’s General Fund as required by Chapter 331.427 of the Code of Iowa.

Response – The Appanoose County Conservation Board believes this is not County revenue since the Appanoose Conservation Foundation paid for the house to be built along with paying for all maintenance and upkeep of the residence. Therefore revenue is credited to the Foundation and not the County.

Conclusion – Response acknowledged. The County should consult the County Attorney regarding this matter.

Appanoose County

Staff

This audit was performed by:

Pamela J. Bormann, CPA, Manager
Tammy A. Hollingsworth, Senior II
Michael R. Field, Staff Auditor
Daniel L. Durbin, CPA, Staff Auditor
Dorothy O. Stover, Staff Auditor
Jennifer M. Kopp, Assistant Auditor
Joshua A. Pronk, Assistant Auditor

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

Andrew E. Nielsen, CPA
Deputy Auditor of State