BOWMAN a MILLER, P.C.

CERTIFIED ♦ PUBLIC ♦ ACCOUNTANTS

24 EAST MAIN STREET • MARSHALLTOWN, IOWA 50158 • 641-753-9337 • FAX 641-753-6366
418 2ND STREET • GLADBROOK, IOWA 50635 • 641-473-2717 • FAX 641-753-6366
4949 PLEASANT STREET • SUITE 206 • WEST DES MOINES, IOWA 50266 • 515-278-0286 • FAX 515-278-0287

James R. Bowman, CPA • jim@bowmanandmillerpc.com
Elizabeth A. Miller, CPA • beth@bowmanandmillerpc.com

January 21, 2010

Mr. David Vaudt, CPA
Auditor of State
State Capitol
Des Moines, Iowa 50319

Dear Mr. Vaudt

We submit herewith an audit report of the examination of Marshall County of Marshalltown, Iowa, as provided in Chapter 11 of the Code of Iowa and Government Auditing Standards, issued by the Comptroller General of the United States.

This examination of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Marshall County is for the period ending June 30, 2009. The work papers are on file at our office.

None of the records were taken out of the County.

Sincerely,

BOWMAN AND MILLER, P.C.

Elizabeth A. Miller, CPA

EAM:dss
Encl.

NEWS RELEASE

FOR RELEASE_____

Bowman and Miller, P.C. today released an audit report on Marshall County, Iowa.

The County had local tax revenue of $50,343,144 for the year ended June 30, 2009, which included $1,848,370 in tax credits from the state. The County forwarded $38,711,878 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained $11,631,266 of the local tax revenue to finance County operations, a 3 percent increase from the prior year. Other revenues included charges for services of $2,275,324, operating grants, contributions and restricted interest of $5,577,165, capital grants, contributions and restricted interest of $3,146,870, local option sales tax of $1,118,897, unrestricted investment earnings of $229,055 and other general revenues of $174,951.

Expenses for County operations totaled $21,754,821, an increase of less than one percent from the prior year. Expenditures included $6,519,555 for Roads and Transportation, $6,102,939 for Public Safety and Legal Services and $3,801,732 for Mental Health.

A copy of the audit report is available for review in the County's Auditor's office, in the Office of Auditor of State and on the Auditor of State's web site at http://auditor.iowa.gov/reports/reports.htm.

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January 21, 2010

Marshall County Board of Supervisors
Courthouse
Marshalltown, IA 50158

For professional services as follows:

	Hours	Rate	Amount
Senior Accountant and review	275	$ 82.25	$ 22,620.00
Staff Accountants	34	60.00	2,040.00
Office Staff, Clerical	8	30.00	240.00
	Total services		$ 24,900.00

MARSHALL COUNTY

Independent Auditors' Reports
Basic Financial Statements and Supplementary Information
Schedule of Findings and Questioned Costs

June 30, 2009

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Marshall County

Officials

(Before January 2009)

Name	Title	Expires
Gordie Johnson	Board of Supervisors	January 2009
Patrick Brooks	Board of Supervisors	January 2011
Ron Goecke	Board of Supervisors	January 2011
Karen Squiers	County Auditor	January 2009
Deane Adams	County Treasurer	January 2011
Kathy Baker	County Recorder	January 2011
Theoharris Kamatchus	County Sheriff	January 2009
Jennifer Miller	County Attorney	January 2011
Bill Williams	County Assessor	January 2009

(After January 2009)

Name	Title	Expires
Patrick Brooks	Board of Supervisors	January 2011
Ron Goecke	Board of Supervisors	January 2011
Dennis Grabenbauer	Board of Supervisors	January 2013
Karen Squiers	County Auditor	January 2013
Deane Adams	County Treasurer	January 2011
Kathy Baker	County Recorder	January 2011
Theoharris Kamatchus	County Sheriff	January 2013
Jennifer Miller	County Attorney	January 2011
Craig Madill	County Assessor	January 2010

BOWMAN & MILLER, P.C.

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Independent Auditors' Report

To the Officials of Marshall County:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Marshall 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 Marshall 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 Marshall 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 January 21, 2010, on our consideration of Marshall County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis, Budgetary Comparison Information and Schedule of Funding Progress for the Retiree Health Plan on pages 4 through 10 and 39 through 43 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 Marshall 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 six years ended June 30, 2008 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 6, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Bowman and Miller, P.C.

January 21, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

Marshall 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

- Revenues of the County's governmental activities decreased 4.3%, or approximately $1,087,000, from fiscal 2008 to fiscal 2009. Property tax increased approximately $585,000. Charges for services increased approximately $84,000. Operating grants and contributions decreased approximately $1,642,000, and capital grants, contributions and restricted interest decreased approximately $15,000.

- Program expenses of the County's governmental activities were .3% or $63,000 more in fiscal year 2009 than in fiscal 2008. The largest increase in program expenses was in public safety and legal services at approximately $158,000. Non-program expenses decreased approximately $121,000, roads and transportation decreased approximately $87,000 and administration decreased approximately $68,000.

- The County's net assets increased 5.4%, or approximately $2.4 million, 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 Marshall 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 Marshall 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 Marshall County acts solely as an agent or custodian for the benefit of those outside of County government (Agency Funds).

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

Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year, as well as presenting the schedule of funding progress for the retiree health plan.

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

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

The County has three kinds of funds:

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

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

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

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

3) Fiduciary funds are used to report assets held in a trust or agency capacity for others which cannot be used to support the County's own programs. 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. Marshall County's combined net assets increased 5.4% from a year ago, increasing from approximately $44.8 million to approximately $47.2 million. The analysis that follows focuses on the changes in the net assets of governmental activities.

Net Assets of Governmental Activities
(Expressed in Thousands)

	June 30,	
	2009	2008
Current and other assets	$ 21,976	$ 21,815
Capital assets	41,506	39,587
Total assets	63,482	61,402
Long-term liabilities	3,090	3,631
Other liabilities	13,195	12,972
Total liabilities	16,285	16,603
Net assets:		
Invested in capital assets, net of related debt	38,898	36,425
Restricted	5,287	5,379
Unrestricted	3,012	2,995
Total net assets, as restated	$ 47,197	$ 44,799

Net assets of Marshall County's governmental activities increased 5.4% ($47.2 million compared to $44.8 million). The largest portion of the County's net assets is the amount 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 $2,995,000 at June 30, 2008 to approximately $3,012,000 at the end of this year, an increase of .6%.

Restricted net assets decreased from approximately $5.4 million on June 30, 2008 to approximately $5.3 million on June 30, 2009, a decrease of 1.7%. This decrease was primarily a result of spending down the Capital Projects Fund and the other special purpose fund balances.

Changes in Net Assets of Governmental Activities

	Year ended June 30, 2009	Year ended June 30, 2008
Revenues:		
Program revenues:		
Charges for services	$ 2,275,324	$ 2,191,800
Operating grants, contributions and restricted interest	5,577,165	7,218,776
Capital grants, contributions and restricted interest	3,146,870	3,161,918
General revenues:		
Property tax	11,056,615	10,472,040
Penalty and interest on property tax	121,751	106,511
State tax credits	452,900	470,277
Local option sales tax	1,118,897	1,086,528
Unrestricted investment earnings	229,055	382,533
Other general revenues	174,951	150,438
Total revenues	24,153,528	25,240,821
Program expenses:		
Public safety and legal services	6,102,939	5,944,644
Physical health and social services	923,445	892,795
Mental health	3,801,732	3,763,558
County environment and education	950,766	899,086
Roads and transportation	6,519,555	6,606,225
Governmental services to residents	825,701	809,778
Administration	2,438,263	2,506,042
Non-program	-	120,787
Interest on long-term debt	192,420	149,291
Total expenses	21,754,821	21,692,206
Increase in net assets	2,398,707	3,548,615
Net assets beginning of year (as restated)	44,798,824	41,250,209
Net assets end of year	$ 47,197,531	$ 44,798,824

Marshall County's net assets of governmental activities increased by approximately $2.4 million during the year. Revenues for governmental activities decreased approximately $1.1 million over the prior year, with operating grants, contributions and restricted interest decreasing approximately $1.6 million, or 22.7%.

The cost of all governmental activities this year was approximately $21.8 million compared to approximately $21.7 million last year. However, as shown in the Statement of Activities on page 13, the amount taxpayers ultimately financed for these activities was only $10.8 million because some of the cost was paid by those directly benefited from the programs ($2.3 million) or by other governments and organizations that subsidized certain programs with grants and contributions ($8.7 million). Overall, the County's governmental program revenues, including intergovernmental aid and fees for services, decreased in 2009 from approximately $12.6 million to approximately $11 million, principally due to receiving approximately $618,000 less in prisoner fees and receiving approximately $1.4 million less in mental health allowable growth funds. The County paid for the remaining "public benefit" portion of governmental activities ($10,755,462) with taxes (some of which could only be used for certain programs) and with other revenues, such as interest and general entitlements.

INDIVIDUAL MAJOR FUND ANALYSIS

As Marshall County completed the year, its governmental funds reported a combined fund balance of approximately $8 million, which is virtually unchanged from the prior year. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund ending fund balance increased $276,000 from the prior year. Revenues from charges for services remained constant, but property and other county tax revenues more than offset the decrease in intergovernmental and use of money and property revenues.

- The Mental Health Fund balance at year end decreased by approximately $340,000 from the prior year. In 2008, Marshall County received nearly $1.4 million in MH-DD allowable growth funds from the State. This resulted in a 35% ratio of ending fund balance/expenses at the end of 2008 and disqualified the county from receiving the additional State funds. The ratio of ending fund balance/expenses at the end of 2009 was 25.5%. To position the county for possible funding in the future, the maximum tax rate was levied in 2009 and again in 2010.

- The Rural Service Fund balance at year end increased by approximately $225,000 from the prior year largely due to a reduction in roads and transportation projects funded by Local Option Sales Tax dollars.

- Secondary Roads Fund, revenues were down approximately $94,000 and expenditures remained mostly constant at $5.6 million, however the Secondary Roads Fund ending balance decreased approximately $199,000 to approximately $1,805,000. The ending fund balance has declined approximately $950,000 over the last five years. The decline in 2009 continued despite the approximately $263,000 increase in transfers from the Rural Services Fund from 2008 to 2009.

- There were no significant changes in revenue, expenditures and the fund balance of the Debt Service Fund.

- Capital Project Fund expenditures decreased approximately $190,000 over the prior year, due principally to fewer projects being done in the current year.

BUDGETARY HIGHLIGHTS

Over the course of the year, Marshall County amended its budget once. The amendment was made in March 2009 and resulted in an increase in budgeted disbursements related to additional grant funding, employee salary and benefit shortfalls, increased costs for snow and ice removal and fuel costs, and increased mental health expenditures.

The County's receipts were $826,161 less than budgeted, a variance of 3.8%. The most significant variance resulted from the County receiving fewer receipts than anticipated for the care of prisoners.

Total disbursements were approximately $3.2 million less than the amended budget. Actual disbursements for the mental health, capital projects and roads and transportation functions were $867,533, $638,201 and $600,229, respectively, less than budgeted. This was primarily due to a reduction in the number of mental health clients and delaying several capital and road projects.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2009, Marshall County had approximately $70.8 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This is a net increase (including additions and deletions) of approximately $3.9 million or 5.8%, over last year.

Capital Assets of Governmental Activities at Year End
(Expressed in Thousands)

	June 30, 2009	June 30, 2008
Land and construction in progress	$ 2,606	$ 2,606
Buildings and improvements	20,098	19,619
Equipment and vehicles	8,070	7,896
Infrastructure	39,986	36,758
Total	$ 70,760	$ 66,879

This year's major additions included (in thousands):	
Secondary road equipment	$ 128
Sheriff's patrol cars	89
Conservation equipment	104
Buildings and grounds generators and equipment	117
Capital assets contributed by the Iowa Department of Transportation	2,709
Bridge and road projects	518
Total	$ 3,665

The County had depreciation expense of $1,962,871 in fiscal 2009 and total accumulated depreciation of $29,254,841 at June 30, 2009. More detailed information about the County's capital assets is presented in Note 10 to the financial statements.

Long-Term Debt

At June 30, 2009, Marshall County had approximately $3,090,000 in general obligation bonds and other debt outstanding compared to approximately $3,600,000 at June 30, 2008, as shown below.

Outstanding Debt of Governmental Activities at Year-End

	June 30, 2009	June 30, 2008
General obligation bonds	$ 2,500,000	$ 3,040,000
Capital lease purchase agreements	87,973	80,483
Compensated absences	482,200	469,100
Deferred real estate contract	19,481	41,906
Total	$ 3,089,654	$ 3,631,489

The county entered into four capital lease purchase agreements to lease equipment for the sheriff's office with an historical cost of $214,365.

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.

of approximately $110 million. Other obligations include accrued vacation pay. There is no bond rating requested for the county at this time. Additional information about the County's long-term debt is presented in Note 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Marshall County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2010 budget, tax rates, and the fees charged for various County activities. One of those factors is the economy. The unemployment rate in the County was 6.7% versus 4.6% in June of 2008. This compares with the State's June, 2009 unemployment rate of 6.2% and the national rate of 9.5%. The Midwest CPI-U from June, 2008 to June, 2009 was -1.9% compared with a national rate of -1.4%. The CPI-U has fallen over the past twelve months, largely due to the 25.5% decrease in energy indexes. However, the increases in food, apparel, medical care, and education, among others, resulted in a 1.75% increase for all items less food and energy.

These indicators were taken into account when adopting the budget for fiscal year 2010. Proposed spending for fiscal year 2010 decreased 1.6% from the re-estimated 2009 budget. Property tax dollars to be generated in 2010 will represent a 6.5% increase from property taxes levied in 2009. Total revenues from all sources, which include property taxes, are expected to increase by 4.2%. The County has added no new major programs or initiatives to the 2010 budget.

If these estimates are realized, the County's operating fund balance is expected to decrease 15.7% by the end of 2010.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Marshall 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 Marshall County Auditor's Office, 1 East Main Street, Marshalltown, Iowa 50158.

Marshall County
Statement of Net Assets
June 30, 2009

Exhibit A

	Governmental Activities
Assets	
Cash and pooled investments	$ 8,584,057
Receivables:	
Property tax:	
Delinquent	3,588
Succeeding year	11,819,707
Interest and penalty on property tax	1,856
Accounts	228,544
Accrued interest	22,774
Due from other governments	609,238
Inventories	599,108
Prepaid expenses	107,086
Capital assets (net of accumulated depreciation)	41,505,726
Total assets	63,481,684
Liabilities	
Accounts payable	604,060
Accrued interest payable	13,501
Salaries and benefits payable	50,234
Due to other governments	706,997
Deferred revenue:	
Succeeding year property tax	11,819,707
Long-term liabilities:	
Portion due or payable within one year:	
Capital lease purchase agreements	58,456
Deferred real estate contract	19,481
General obligation bonds	395,000
Compensated absences	482,200
Portion due or payable after one year:	
Capital lease purchase agreements	29,517
General obligation bonds	2,105,000
Total liabilities	16,284,153
Net Assets	
Invested in capital assets, net of related debt	38,898,272
Restricted for:	
Supplemental levy purposes	828,836
Mental health purposes	1,284,132
Secondary roads purposes	1,927,552
Debt service	22,750
Capital projects	34,291
Other purposes	1,189,721
Unrestricted	3,011,977
Total net assets	$ 47,197,531

See notes to financial statements.

Marshall County
Statement of Activities
Year Ended June 30, 2009

	Expenses	Program Revenues: Charges for Service	Program Revenues: Operating Grants, Contributions and Restricted Interest	Program Revenues: Capital Grants, Contributions and Restricted Interest
Functions/Programs:				
Governmental activities:				
Public safety and legal services	$ 6,102,939	1,284,969	199,255	-
Physical health and social services	923,445	20,602	437,598	-
Mental health	3,801,732	15,239	1,532,768	-
County environment and education	950,766	55,726	96,932	44,000
Roads and transportation	6,519,555	117,714	3,310,361	3,102,870
Governmental services to residents	825,701	519,930	251	-
Administration	2,438,263	26,599	-	-
Non-program	-	234,545	-	-
Interest on long-term debt	192,420	-	-	-
Total	$ 21,754,821	2,275,324	5,577,165	3,146,870
General Revenues:				
Property and other county tax levied for:				
General purposes				
Tax increment financing				
Debt service				
Interest and penalty on property tax				
State tax credits				
Local option sales tax				
Unrestricted investment earnings				
Gain on sale of assets				
Miscellaneous				
Total general revenues				
Change in net assets				
Net assets beginning of year, as restated				
Net assets end of year				

See notes to financial statements.

Net (Expense) Revenue Changes in Net Assets
(4,618,715)
(465,245)
(2,253,725)
(754,108)
11,390
(305,520)
(2,411,664)
234,545
(192,420)
(10,755,462)
10,038,817
329,259
688,539
121,751
452,900
1,118,897
229,055
27,238
147,713
13,154,169
2,398,707
44,798,824
$ 47,197,531

Marshall County
Balance Sheet
Governmental Funds
June 30, 2009

	General	Special Revenue: Mental Health	Special Revenue: Rural Services	Special Revenue: Secondary Roads
Assets				
Cash and pooled investments	$ 2,850,017	1,661,507	981,754	1,062,999
Receivables:				
Property tax:				
Delinquent	2,470	649	228	-
Succeeding year	7,668,234	2,100,964	1,464,036	-
Interest and penalty on property tax	1,856	-	-	-
Accounts	29,381	9,618	-	155
Accrued interest	20,057	-	-	-
Due from other funds	-	-	-	6,330
Due from other governments	178,284	4,809	167,774	258,371
Inventories	-	-	-	599,108
Prepaid expenses	99,695	-	-	7,391
Total assets	$ 10,849,994	3,777,547	2,613,792	1,934,354
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ 191,619	66,851	63	115,848
Salaries and benefits payable	29,360	4,668	3,144	13,062
Due to other funds	6,330	-	-	-
Due to other governments	70,908	635,731	-	358
Deferred revenue:				
Succeeding year property tax	7,668,234	2,100,964	1,464,036	-
Other	3,238	496	125	-
Total liabilities	7,969,689	2,808,710	1,467,368	129,268
Fund balances:				
Reserved for:				
Supplemental levy purposes	828,836	-	-	-
Debt service	-	-	-	-
Unreserved, reported in:				
General fund	2,051,469	-	-	-
Special revenue funds	-	968,837	1,146,424	1,805,086
Capital projects fund	-	-	-	-
Total fund balances	2,880,305	968,837	1,146,424	1,805,086
Total liabilities and fund balances	$ 10,849,994	3,777,547	2,613,792	1,934,354

See notes to financial statements

Debt Service	Capital Projects	Nonmajor Special Revenue	Total
32,142	35,136	1,166,017	7,789,572
241	-	-	3,588
586,473	-	-	11,819,707
-	-	-	1,856
-	-	-	39,154
-	-	2,717	22,774
-	-	-	6,330
-	-	-	609,238
-	-	-	599,108
-	-	-	107,086
618,856	35,136	1,168,734	20,998,413
-	845	40,234	415,460
-	-	-	50,234
-	-	-	6,330
-	-	-	706,997
586,473	-	-	11,819,707
186	-	-	4,045
586,659	845	40,234	13,002,773
-	-	-	828,836
32,197	-	-	32,197
-	-	-	2,051,469
-	-	1,128,500	5,048,847
-	34,291	-	34,291
32,197	34,291	1,128,500	7,995,640
618,856	35,136	1,168,734	20,998,413

Exhibit D

Marshall County
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets
June 30, 2009

Total governmental fund balances (page 15)	$	7,995,640
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 $70,760,567 and the accumulated depreciation is $29,254,841.		41,505,726
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the governmental funds.		4,045
The Internal Service Fund is used by management to charge the costs of the partial self funding of the County's health and dental insurance benefit plans to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Assets.		795,275
Long-term liabilities, including capital lease purchase agreements payable, bonds payable, compensated absences payable, deferred real estate contract and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(3,103,155)
Net assets of governmental activities (page 11)	$	47,197,531

See notes to financial statements.

Marshall County
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2009

		Special Revenue		
	General	Mental Health	Rural Services	Secondary Roads
Revenues:				
Property and other county tax	$ 6,938,612	1,822,853	2,394,817	-
Interest and penalty on property tax	120,826	-	-	-
Intergovernmental	1,926,833	1,617,735	97,162	3,699,369
Licenses and permits	204	-	40,094	3,575
Charges for service	692,216	15,114	1,085	37,036
Use of money and property	352,999	-	-	1,447
Miscellaneous	99,344	125	10	77,103
Total revenues	10,131,034	3,455,827	2,533,168	3,818,530
Expenditures:				
Operating:				
Public safety and legal services	5,352,869	-	460,771	-
Physical health and social services	892,986	-	27,452	-
Mental health	-	3,795,990	-	-
County environment and education	446,159	-	162,146	-
Roads and transportation	-	-	129,738	5,012,121
Governmental services to residents	782,497	-	-	-
Administration	2,422,874	-	-	-
Debt service	-	-	-	-
Capital projects	16,667	-	-	555,041
Total expenditures	9,914,052	3,795,990	780,107	5,567,162
Excess (deficiency) of revenues over (under) expenditures	216,982	(340,163)	1,753,061	(1,748,632)
Other financing sources (uses):				
Sale of capital assets	20,426	-	-	21,700
Operating transfers in	-	-	-	1,527,644
Operating transfers out	(50,000)	-	(1,527,644)	-
Capital lease purchase agreement	88,649	-	-	-
Total other financing sources (uses)	59,075	-	(1,527,644)	1,549,344
Net change in fund balances	276,057	(340,163)	225,417	(199,288)
Fund balances beginning of year	2,604,248	1,309,000	921,007	2,004,374
Fund balances end of year	$ 2,880,305	968,837	1,146,424	1,805,086

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor Special Revenue	Total
688,426	-	329,259	12,173,967
-	-	-	120,826
27,568	-	42,656	7,411,323
-	-	-	43,873
-	-	6,670	752,121
-	2,843	21,308	378,597
2,483	-	129,006	308,071
718,477	2,843	528,899	21,188,778
-	-	83,892	5,897,532
-	-	-	920,438
-	-	-	3,795,990
-	-	272,513	880,818
-	-	-	5,141,859
-	-	14,000	796,497
-	-	4,464	2,427,338
734,733	-	-	734,733
-	242,848	53,098	867,654
734,733	242,848	427,967	21,462,859
(16,256)	(240,005)	100,932	(274,081)
-	-	-	42,126
-	50,000	65,309	1,642,953
-	-	(65,309)	(1,642,953)
-	-	-	88,649
-	50,000	-	130,775
(16,256)	(190,005)	100,932	(143,306)
48,453	224,296	1,027,568	8,138,946
32,197	34,291	1,128,500	7,995,640

Marshall 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 18)		$ (143,306)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activites 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	$ 1,186,692	
Capital assets contributed by the Iowa Department of Transportation	2,709,572	
Depreciation expense	(1,962,871)	1,933,393
In the Statement of Activities, the gain on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources.		(14,888)
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	2,470	
Other	(9,075)	(6,605)
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	(88,649)	
Repaid	643,584	554,935
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	(13,100)	
Interest on long-term debt	3,335	(9,765)
The Internal Service Fund is used by management to charge the costs of the partial self-funding of the County's health and dental insurance benefit plans to individual funds. The change in net assets of the Internal Service Fund is reported with governmental activities.		84,943
Change in net assets of governmental activities (page 13)		$ 2,398,707

See notes to financial statements.

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

	Internal Service-Employee Group Health
Assets	
Cash and cash equivalents	$ 794,485
Accounts receivable	189,390
Total assets	983,875
Liabilities	
Accounts payable	188,600
Net Assets	
Unrestricted	$ 795,275

See notes to financial statements.

Exhibit H

Marshall County
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Fund
Year Ended June 30, 2009

		Internal Service-Employee Group Health
Operating revenues:		
Reimbursements from operating funds		$ 1,346,203
Reimbursements from employees and others		149,701
Insurance reimbursements		219,793
Total operating revenues		1,715,697
Operating expenses:		
Medical claims	$ 1,380,821	
Insurance premiums	246,027	
Adminstrative fees	19,605	1,646,453
Operating income		69,244
Non-operating revenues:		
Interest income		15,699
Net income		84,943
Net assets beginning of year		710,332
Net assets end of year		$ 795,275

See notes to financial statements.

Marshall County
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2009

	Internal Service-Employee Group Health
Cash flows from operating activities:	
Cash received from operating fund reimbursements	$ 1,346,203
Cash received from employees and others	193,591
Cash paid to suppliers for services	(1,635,853)
Net cash used by operating activities	(96,059)
Cash flows from investing activities:	
Interest on investments	15,699
Net decrease in cash and cash equivalents	(80,360)
Cash and cash equivalents beginning of year	874,845
Cash and cash equivalents end of year	$ 794,485
Reconciliation of operating income to net cash used by operating activities:	
Operating income	$ 69,244
Adjustments to reconcile operating income to net cash used by operating activities:	
(Increase) in accounts receivable	(175,903)
Increase in accounts payable	10,600
Net cash used by operating activities	$ (96,059)

See notes to financial statements.

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

Assets	
Cash and pooled investments:	
County Treasurer	$ 4,524,785
Other County officials	64,954
Receivables:	
Property tax:	
Delinquent	12,777
Succeeding year	36,608,758
Accounts	52,479
Accrued interest	15,885
Assessments	182,267
Total assets	41,461,905
Liabilities	
Accounts payable	107,158
Salaries and benefits payable	283
Due to other governments	41,204,577
Trusts payable	104,904
Compensated absences	44,983
Total liabilities	41,461,905
Net assets	$ -

See notes to financial statements.

(1) Summary of Significant Accounting Policies

Marshall 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, Marshall 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 Marshall County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

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

Four drainage districts have been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although these districts are legally separate from the County, they are controlled, managed and supervised by the Marshall County Board of Supervisors. The drainage districts are reported as a Special Revenue Fund. Financial information of the individual drainage districts can be obtained from the Marshall County Auditor's office.

One drainage district, a joint district between Marshall and Story Counties, is managed and supervised by elected trustees. This district is included as an Agency Fund of the County.

(1) Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

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: Marshall County Assessor's Conference Board, Marshall County E911 Service Board and Marshall County Emergency Management Commission. 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 has been designated as trustee of the Marshall County Solid Waste Management Commission's Irrevocable Trust Fund. The purpose of this fund is to demonstrate financial assurance for closure, post-closures and corrective action as required by law. The County's responsibility for this fund is limited to a fiduciary relationship and as such, the activity has been reported in an Agency Fund of the County.

The County also participates in the following additional jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa: Marshall County Public Safety Communications Center, Solid Waste Management Commission of Marshall County, Region Six Planning Commission, Central Iowa Juvenile Detention Center and Mid-Iowa Drug Task Force.

B. Basis of Presentation

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

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

Invested in capital assets, 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.

(1) Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

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

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

Fund Financial Statements – Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The County reports the following major governmental funds:

The General Fund is the general operating fund of the County. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs not paid from other funds.

Special Revenue:

The Mental Health Fund is used to account for property tax and other revenues designated to be used to fund mental health, mental retardation, and developmental disabilities services.

The Rural Services Fund is used to account for property tax and other revenues to provide services which are primarily intended to benefit those persons residing in the county outside of incorporated city areas.

The Secondary Roads Fund is used to account for secondary road construction and maintenance.

The Debt Service Fund is utilized to account for the payment of interest and principal on the County's general long-term debt.

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

(1) Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

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-reimbursements grant resources to such programs, followed by categorical block grants and then by general revenues.

(1) Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

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 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.

(1) Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity (continued)

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.

Due from and Due to Other Funds – During the course of its operations, the County has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2009, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

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

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

(1) Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity (continued)

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	30 – 50
Building improvements	20 – 50
Infrastructure	15 – 65
Equipment	5 – 25
Vehicles	7 – 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 hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 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.

(1) Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity (continued)

Long-Term Liabilities – In the government-wide and the 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 in a department exceeded the amount appropriated.

(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 ensure 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.

Interest rate risk. The County's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the County.

(2) Cash and Pooled Investments (continued)

Concentration of credit risk. The County places no limit on the amount that may be invested in any one issuer.

(3) Due From and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2009 is as follows:

Receivable Fund	Payable Fund	Amount
Special Revenue:		
Secondary Roads	General	$ 6,330

This balance results from the time lag between the dates interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

(4) Interfund Transfers

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

Transfer to	Transfer from	Amount
Capital Projects	General	$ 50,000
Special Revenue:	Special Revenue:	
Secondary Roads	Rural Services	1,527,644
Special Revenue:	Special Revenue:	
Moderate Income Housing	Urban Renewal Revenue	65,309
		$ 1,642,953

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

(5) Long-Term Liabilities

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

	General Obligation Bonds	Deferred Real Estate Contract	Capital Lease Purchase Agreements	Compensated Absences	Total
Balance beginning of year	$ 3,040,000	41,906	80,483	469,100	3,631,489
Increases	-	-	88,649	28,983	117,632
Decreases	540,000	22,425	81,159	15,883	659,467
Balance end of year	$ 2,500,000	19,481	87,973	482,200	3,089,654
Due within one year	$ 395,000	19,481	58,456	482,200	955,137

Capital Lease Purchase Agreements

The County has entered into capital lease purchase agreements to lease equipment for the sheriff's office with historical cost of $180,542. The following is a schedule of the future minimum lease payments, including interest at rates ranging from 5.9% to 9.50% per annum, and the present value of net minimum lease payments under the agreements in effect at June 30, 2009:

Year ending June 30,	Sheriff's Equipment
2010	$ 63,958
2011	31,259
Total minimum lease payments	95,217
Less amount representing interest	7,244
Present value of net minimum lease payments	$ 87,973

Payments under capital lease purchase agreements totaled $81,159 for the year ended June 30, 2009.

Industrial Development Revenue Bonds

The County has issued a total of $6,790,000 in industrial development revenue bonds under the provisions of Chapter 419 of the Code of Iowa, of which $6,215,000 is outstanding at June 30, 2009. The bonds and related interest are payable solely from the rents payable by the tenants of the properties constructed, and the bond principal and interest do not constitute liabilities of the County.

(5) Long-Term Liabilities (continued)

Deferred Real Estate Contract

During the year ended June 30, 2002, the County entered into a deferred payment contract totaling $180,000 to purchase real estate for the Secondary Roads department. The County agreed to pay the seller $20,000 on the date of possession and ninety-six monthly installments, including interest, beginning May 1, 2002. The interest rate is variable during the term of the contract. The initial rate is 4½% per annum for the first twelve months. Effective April 1, 2003, the interest rate will be determined by the current rate on two year U.S. Treasury Notes, plus 1%. The interest rate will never be less than 4½% nor more than 7% annum. For the year ended June 30, 2009, the interest rate was at 4½%. Payments under the deferred real estate contract for the year ended June 30, 2009 totaled $23,852. The balance of the contract at June 30, 2009 was $19,481.

Bonds Payable

A summary of the County's June 30, 2009 general obligation bonded indebtedness is as follows:

Year ending June 30,	Interest Rates		Principal	Interest	Total
2010	3.25	%	$ 395,000	91,142	486,142
2011	3.35		230,000	78,304	308,304
2012	3.45		240,000	70,599	310,599
2013	3.55		245,000	62,319	307,319
2014	3.65		260,000	53,621	313,621
2015-2018	3.75-4.05		1,130,000	114,079	1,244,079
			$ 2,500,000	470,064	2,970,064

During the year ended June 30, 2009, the County retired $540,000 of general obligation bonds.

(6 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 and dental insurance benefit plans. The plans are funded by both employee and County contributions and are administered through a service agreement with Select Benefit Administrators. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of $40,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

(6) Marshall County Employee Health Insurance Plan (continued)

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 Select Benefits Administrators from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2009 was $1,346,203.

Amounts payable from the Employee Group Health Insurance Fund at June 30, 2009 total $1886,600, 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 $795,275 at June 30, 2009 and is reported as a designation of the Internal Service, Employee Group Health Fund net assets. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No.10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid claims beginning of year	$ 178,000
Incurred claims (including claims incurred but not reported at June 30, 2009)	1,380,821
Payments on claims during the fiscal year	1,370,221
Unpaid claims end of year	$ 188,600

(7) Pension and Retirement Benefits

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

Most regular plan members are required to contribute 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 contribution to IPERS for the years ended June 30, 2009, 2008 and 2007 were $481,538, $427,725 and $395,967, respectively, equal to the required contributions for each year.

(8) Other Postemployment Benefits (OPEB)

Marshall County implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits other Than Pensions during the year ended June 30, 2009.

Plan Description. The County operates a single-employer retiree benefit plan which provides medical/prescription drug benefits for retirees and their spouses. There are 155 active and 4 retired members in the plan. Participants must be age 55 or older at retirement.

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

Funding Policy. The contribution requirements of plan members are established and may be amended by the County. Retirees pay the full premium. The current funding policy of the County is to pay health claims as they occur.

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

The following table shows the components of the County's annual OPEB cost for the year ended June 30, 2009, the amount actually contributed to the plan and changes in the County's net OPEB obligation:

Annual required contribution	$	96,291
Interest on net OPEB obligation		-
Adjustment to annual required contribution		-
Annual OPEB cost		96,291
Contributions made		(35,631)
Increase in net OPEB obligation		66,660
Net OPEB obligation beginning of year		-
Net OPEB obligation end of year	$	66,660

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2009.

For the year ended June 30, 2009, the County contributed $35,631 to the medical plan. Plan members eligible for benefits contributed $32,761, or 47% of the premium costs.

(8) Other Postemployment Benefits (OPEB) (continued)

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2009 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	$ 96,291	37%	$ 66,660

Funded Status and Funding Progress. As of July 1, 2008, the most recent actuarial valuation date for the period July 1, 2008 through June 30, 2009, the actuarial accrued liability was $764,414, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of $764,414. The covered payroll (annual payroll of active employees covered by the plan) was approximately $6,706,729 and the ratio of the UAAL to covered payroll was 11.4%. As of June 30, 2009, there were no trust fund assets.

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

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

As of the July 1, 2008 actuarial valuation date, the frozen entry age actuarial cost method was used. This allocation is performed for the group as a whole, not as a sum of individual allocations. The frozen actuarial accrued liability is determined using the entry age actuarial cost method. The portion of this actuarial present value allocated to a valuation year is called the normal cost. Under this method actuarial gains/(losses) as they occur reduce/(increase) future normal costs. The actuarial assumptions include a projected annual medical trend rate of 6%.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2007 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2007.

(8) Other Postemployment Benefits (OPEB) (continued)

Projected claim costs of the medical plan or $409.86 per month for retirees less than age 65. The salary increase rate was assumed to be 4% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

(9) Due to Other Governments

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

Fund	Description		Amount
General	Services	$	70,908
Special Revenue:			
Secondary Roads	Services		358
Mental Health	Services		635,731
			636,089
Total for governmental funds		$	706,997
Agency:			
County Assessor	Collections	$	648,271
Schools			22,174,299
Community Colleges			2,950,914
Corporations			11,168,708
Auto License and Use Tax			713,277
Solid Waste Irrevocable Trust			2,676,383
All other			872,725
Total for agency funds		$	41,204,577

(10) Capital Assets

Capital assets activity for the year ended June 30, 2009 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 2,606,469			2,606,469
Total capital assets not being depreciated	2,606,469	-	-	2,606,469
Capital assets being depreciated:				
Buildings	19,618,776	479,154	-	20,097,930
Equipment and vehicles	7,896,027	450,119	275,759	8,070,387
Infrastructure, road network	36,758,239	3,227,542	-	39,985,781
Total capital assets being depreciated	64,273,042	4,156,815	275,759	68,154,098
Less accumulated depreciation for:				
Buildings	8,282,694	385,045	-	8,667,739
Equipment and vehicles	4,021,647	464,722	260,871	4,225,498
Infrastructure, road network	15,248,500	1,113,104	-	16,361,604
Total accumulated depreciation	27,552,841	1,962,871	260,871	29,254,841
Total capital assets being depreciated, net	36,720,201	2,193,944	14,888	38,899,257
Governmental activities capital assets, net	$ 39,326,670	2,193,944	14,888	41,505,726

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	$ 286,962
Physical health and social services	2,087
County environment and education	96,175
Roads and transportation	1,441,804
Governmental services to residents	20,865
Administration	114,978
Total depreciation expense - governmental activities	$ 1,962,871

(11) Operating Leases

During the year ended June 30, 2002, the County entered into an agreement with the Marshall Town Center to lease space for the County Treasurer Motor Vehicle Department. The lease has been classified as an operating lease and, accordingly, all rents are charged to expenditures as incurred. The lease expires June 30, 2011.

Pursuant to an agreement with the Marshall Town Center, the County paid $161,760 to remodel the leased space. The County recorded these costs as prepaid expenditures that are amortized and reduce the annual cash rental payments throughout the term of the lease.

The County has also entered into several other leases for operating space used by various county departments. The leases expire at various times through June 30, 2014. The following is a schedule by year of the total annual lease costs required under the operating leases.

Year Ending June 30		Annual Rent Due in Cash	Annual Prepaid Expenditures Amortized	Total Annual Lease Costs
2010	$	97,000	14,766	111,766
2011		105,834	9,666	115,500
2012		95,748	-	95,748
2013		85,172	-	85,172
Thereafter		4,885	-	4,885
Total	$	388,639	24,432	413,071

The total annual lease costs for the year ended June 30, 2009 were $106,402.

(12) Risk Management

Marshall 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 limits. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(13) Net Asset Restatement

At June 30, 2004, Marshall County restated its beginning net assets per Governmental Accounting Standards Board Statement No. 34 to include capital assets and accumulated depreciation. When that restatement was made there were several assets in the conservation department that were omitted. The net assets at June 30, 2009, have been restated to reflect those additional assets in the amount of $260,551.

Marshall 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
Receipts:		
Property and other county tax	$ 12,183,240	-
Interest and penalty on property tax	120,929	-
Intergovernmental	7,379,404	-
Licenses and permits	40,862	-
Charges for service	818,678	-
Use of money and property	385,123	-
Miscellaneous	213,196	-
Total receipts	21,141,432	-
Disbursements:		
Public safety and legal services	5,893,589	-
Physical health and social services	874,879	-
Mental health	4,010,242	-
County environment and education	892,835	-
Roads and transportation	5,388,871	-
Governmental services to residents	792,922	-
Administration	2,461,840	-
Debt service	734,732	-
Capital projects	819,368	827
Total disbursements	21,869,278	827
Deficiency of receipts under disbursements	(727,846)	(827)
Other financing sources, net	42,126	-
Deficiency of receipts and other financing sources under disbursements and other financing uses	(685,720)	(827)
Balance beginning of year	8,475,292	5,683
Balance end of year	$ 7,789,572	4,856

See accompanying independent auditors' report.

Net	Budgeted Amounts Original	Budgeted Amounts Final	Final to Net Variance
12,183,240	12,007,060	12,170,791	12,449
120,929	13,000	13,000	107,929
7,379,404	8,029,871	8,226,769	(847,365)
40,862	51,374	42,745	(1,883)
818,678	1,000,325	780,222	38,456
385,123	418,715	407,964	(22,841)
213,196	309,467	326,102	(112,906)
21,141,432	21,829,812	21,967,593	(826,161)
5,893,589	6,194,265	6,179,655	286,066
874,879	962,635	1,068,585	193,706
4,010,242	3,877,775	4,877,775	867,533
892,835	958,621	1,002,234	109,399
5,388,871	5,711,600	5,989,100	600,229
792,922	877,065	872,240	79,318
2,461,840	2,796,653	2,853,940	392,100
734,732	739,475	740,075	5,343
818,541	1,626,742	1,456,742	638,201
21,868,451	23,744,831	25,040,346	3,171,895
(727,019)	(1,915,019)	(3,072,753)	2,345,734
42,126	531,000	531,000	(488,874)
(684,893)	(1,384,019)	(2,541,753)	1,856,860
8,469,609	6,211,407	8,381,513	88,096
7,784,716	4,827,388	5,839,760	1,944,956

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

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	$ 21,141,432	47,346	21,188,778
Expenditures	21,869,278	(406,419)	21,462,859
Net	(727,846)	453,765	(274,081)
Other financing sources, net	42,126	88,649	130,775
Beginning fund balances	8,475,292	(336,346)	8,138,946
Ending fund balances	$ 7,789,572	206,068	7,995,640

Marshall County
Notes to Required Supplementary Information-
Budgetary Reporting
June 30, 2009

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

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except blended component units 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, the Debt Service Fund and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, one budget amendment increased budgeted disbursements by $1,295,515. 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 in a department exceeded the amount appropriated.

Marshall County
Schedule of Funding Progress for the
Retiree Health Plan
Required Supplementary Information

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2008	-	$ 764,414	$ 764,414	0.0%	$ 822,816	11.6%

See Note 8 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.

Marshall County
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2009

	Resource Enhancement and Protection	Sheriff's Investigative	Sheriff's DARE	Jail Commissary
Assets				
Cash and pooled investments	$ 85,062	2,117	236	250,104
Receivables:				
Accrued interest	-	-	-	-
Total assets	$ 85,062	2,117	236	250,104
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ 30,000	-	-	956
Fund balances:				
Unreserved	55,062	2,117	236	249,148
Total liabilities and fund balances	$ 85,062	2,117	236	250,104

Conservation Land Acquisition Trust	Klauenberg Trust	County Recorder's Records Management	Attorney's Forfeiture	Drainage Certificates	Urban Renewal Revenue	Moderate Income Housing	Total
90,482	465,294	5,139	11,856	4,856	7,090	243,781	1,166,017
-	2,717	-	-	-	-	-	2,717
90,482	468,011	5,139	11,856	4,856	7,090	243,781	1,168,734
2,188	-	-	-	-	7,090	-	40,234
88,294	468,011	5,139	11,856	4,856	-	243,781	1,128,500
90,482	468,011	5,139	11,856	4,856	7,090	243,781	1,168,734

Marshall County
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2009

	Resource Enhancement and Protection	Sheriff's Investigative	Sheriff's DARE	Jail Commissary	Conservation Land Acquisition Trust
Revenues:					
Property and other county tax	$ -	-	-	-	-
Intergovernmental	26,182	-	-	-	14,161
Charges for service	-	-	-	-	-
Use of money and property	805	2	1	3,624	957
Miscellaneous	-	1,243	3,192	102,385	19,458
Total revenues	26,987	1,245	3,193	106,009	34,576
Expenditures:					
Operating:					
Public safety and legal services	-	-	3,232	80,660	-
County environment and education	-	-	-	-	-
Governmental services to residents	-	-	-	-	-
Administration	-	-	-	-	-
Capital projects	30,000	-	-	-	22,271
Total expenditures	30,000	-	3,232	80,660	22,271
Excess (deficiency) of revenues over (under) expenditures	(3,013)	1,245	(39)	25,349	12,305
Other financing sources (uses):					
Operating transfers in (out):					
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(3,013)	1,245	(39)	25,349	12,305
Fund balances beginning of year	58,075	872	275	223,799	75,989
Fund balances end of year	$ 55,062	2,117	236	249,148	88,294

Klauenberg Trust	County Recorder's Records Management	Attorney's Forfeiture	Drainage Certificates	Urban Renewal Revenue	Moderate Income Housing	Total
-	-	-	-	329,259	-	329,259
-	-	-	-	2,313	-	42,656
-	6,670	-	-	-	-	6,670
15,652	251	16	-	-	-	21,308
-	-	2,728	-	-	-	129,006
15,652	6,921	2,744	-	331,572	-	528,899
-	-	-	-	-	-	83,892
-	-	-	-	266,263	6,250	272,513
-	14,000	-	-	-	-	14,000
4,464	-	-	-	-	-	4,464
-	-	-	827	-	-	53,098
4,464	14,000	-	827	266,263	6,250	427,967
11,188	(7,079)	2,744	(827)	65,309	(6,250)	100,932
-	-	-	-	-	65,309	65,309
-	-	-	-	(65,309)	-	(65,309)
-	-	-	-	(65,309)	65,309	-
11,188	(7,079)	2,744	(827)	-	59,059	100,932
456,823	12,218	9,112	5,683	-	184,722	1,027,568
468,011	5,139	11,856	4,856	-	243,781	1,128,500

Marshall County
Combining Schedule of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2009

	County Offices		Agricultural		
	County Recorder	County Sheriff	Extension Education	County Assessor	Schools
Assets					
Cash and pooled investments:					
County Treasurer	$ -	-	2,397	297,245	331,377
Other County officials	15,604	49,350	-	-	-
Receivables:					
Property tax:					
Delinquent	-	-	52	146	7,045
Succeeding year	-	-	147,883	391,245	21,835,877
Accounts	21	-	-	-	-
Accrued interest	-	-	-	-	-
Assessments	-	-	-	-	-
Total assets	$ 15,625	49,350	150,332	688,636	22,174,299
Liabilities					
Accounts payable	$ -	-	-	-	-
Salaries and benefits payable	-	-	-	-	-
Due to other governments	15,625	-	150,332	648,271	22,174,299
Trusts payable	-	49,350	-	-	-
Compensated absences	-	-	-	40,365	-
Total liabilities	$ 15,625	49,350	150,332	688,636	22,174,299

Community Colleges	Corporations	Townships	Brucellosis and Tuberculosis Eradication	City Special Assessments	Auto License and Use Tax
45,215	211,522	5,043	71	18,697	713,277
-	-	-	-	-	-
986	4,440	106	2	-	-
2,904,713	10,952,746	372,289	4,005	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	182,267	-
2,950,914	11,168,708	377,438	4,078	200,964	713,277
-	-	-	-	-	-
-	-	-	-	-	-
2,950,914	11,168,708	377,438	4,078	200,964	713,277
-	-	-	-	-	-
-	-	-	-	-	-
2,950,914	11,168,708	377,438	4,078	200,964	713,277

Marshall County
Combining Schedule of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2009

	Local Emergency Management Services	Tax Sale Redemption Non-County	Solid Waste Irrevocable Trust	School Ready Children	E911
Assets					
Cash and pooled investments					
County Treasurer	30,158	58,263	2,660,498	78,845	4,914
Other County officials	-	-	-	-	-
Receivables:					
Property tax:					
Delinquent	-	-	-	-	-
Succeeding year	-	-	-	-	-
Accounts	5,426	-	-	-	44,032
Accrued interest	-	-	15,885	-	-
Assessments	-	-	-	-	-
Total assets	35,584	58,263	2,676,383	78,845	48,946
Liabilities					
Accounts payable	106	-	-	45,745	48,601
Salaries and benefits payable	283	-	-	-	-
Due to other governments	30,577	58,263	2,676,383	33,100	345
Trusts payable	-	-	-	-	-
Compensated absences	4,618	-	-	-	-
Total liabilities	35,584	58,263	2,676,383	78,845	48,946

Other	Total
67,263	4,524,785
-	64,954
-	12,777
-	36,608,758
3,000	52,479
-	15,885
-	182,267
70,263	41,461,905

12,706	107,158
-	283
2,003	41,204,577
55,554	104,904
-	44,983
70,263	41,461,905

Marshall County
Combining Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds
Year Ended June 30, 2009

	County Offices		Agricultural	
	County Recorder	County Sheriff	Extension Education	County Assessor
Assets and Liabilities				
Balances beginning of year	$ 20,799	74,679	154,594	697,357
Additions:				
Property and other county tax	-	-	142,054	375,035
E911 surcharge	-	-	-	-
State tax credits	-	-	6,117	17,013
Interest	-	-	-	-
Office fees and collections	469,300	148,516	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	-	449,115	-	-
Miscellaneous	-	-	-	1,954
Total additions	469,300	597,631	148,171	394,002
Deductions:				
Agency remittances:				
To other funds	238,853	148,454	-	-
To other governments	235,621	-	152,433	402,723
Trusts paid out	-	474,506	-	-
Total deductions	474,474	622,960	152,433	402,723
Balances end of year	$ 15,625	49,350	150,332	688,636

Schools	Community Colleges	Corporations	Townships	Brucellosis and Tuberculosis Eradication	City Special Assessments	Auto License and Use Tax
21,502,325	2,918,521	10,741,622	345,057	5,213	178,739	660,340
21,047,286	2,788,825	12,573,621	374,196	3,189	-	-
-	-	-	-	-	-	-
836,174	113,032	406,785	16,168	181	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	8,143,173
-	-	-	-	-	130,113	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
21,883,460	2,901,857	12,980,406	390,364	3,370	130,113	8,143,173
-	-	-	-	-	-	262,371
21,211,486	2,869,464	12,553,320	357,983	4,505	107,888	7,827,865
-	-	-	-	-	-	-
21,211,486	2,869,464	12,553,320	357,983	4,505	107,888	8,090,236
22,174,299	2,950,914	11,168,708	377,438	4,078	200,964	713,277

Marshall County
Combining Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds
Year Ended June 30, 2009

	Local Emergency Management Services	Tax Sale Redemption Non-County	Solid Waste Irrevocable Trust	School Ready Children
Assets and Liabilities				
Balances beginning of year	31,811	41,845	2,437,974	113,726
Additions:				
Property and other county tax	-	-	-	-
E911 surcharge	-	-	-	-
State tax credits	-	-	-	-
Interest	-	-	88,409	3,178
Office fees and collections	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	-	675,811	-	-
Miscellaneous	148,150	-	150,000	555,330
Total additions	148,150	675,811	238,409	558,508
Deductions:				
Agency remittances:				
To other funds	-	-	-	-
To other governments	144,377	-	-	593,389
Trusts paid out	-	659,393	-	-
Total deductions	144,377	659,393	-	593,389
Balances end of year	35,584	58,263	2,676,383	78,845

E911	Other	Total
57,920	66,150	40,048,672
-	12,202	37,316,408
198,051	-	198,051
-	-	1,395,470
148	380	92,115
-	6,670	624,486
-	710	8,143,883
-	-	130,113
-	24,498	1,149,424
-	231,575	1,087,009
198,199	276,035	50,136,959
-	-	649,678
207,173	127,345	46,795,572
-	144,577	1,278,476
207,173	271,922	48,723,726
48,946	70,263	41,461,905

Marshall County
Schedule of Revenues by Source and Expenditures by Function - All Governmental Funds
For the Last Ten Years

		2009	2008	2007	2006
Revenues:					
Property and other county tax	$	12,173,967	11,559,212	10,154,174	9,382,164
Interest and penalty on property tax		120,826	106,923	94,099	85,590
Intergovernmental		7,411,323	9,179,285	8,308,773	7,820,874
Licenses and permits		43,873	54,848	40,403	46,066
Charges for service		752,121	734,071	766,129	796,291
Use of money and property		378,597	521,697	531,424	455,809
Miscellaneous		308,071	321,900	317,997	692,254
Total	$	21,188,778	22,477,936	20,212,999	19,279,048
Expenditures:					
Operating:					
Public safety and legal services	$	5,897,532	5,729,854	5,549,685	5,657,380
Physical health and social services		920,438	889,834	761,605	850,979
Mental health		3,795,990	3,759,441	3,401,778	3,128,228
County environment and education		880,818	841,792	794,776	804,072
Roads and transportation		5,141,859	5,926,324	5,116,544	4,714,904
Governmental services to residents		796,497	769,337	743,642	990,407
Administration		2,427,338	2,328,010	2,278,439	2,197,990
Debt service		734,733	683,613	661,272	653,589
Capital projects		867,654	647,702	1,238,663	1,532,287
Total	$	21,462,859	21,575,907	20,546,404	20,529,836

Modified Accrual Basis				
2005	2004	2003	2002	2001
8,984,585	8,622,222	8,552,943	8,220,393	8,020,704
79,971	77,867	91,559	93,099	85,535
8,077,032	7,791,934	7,448,548	7,311,452	7,676,505
46,971	30,687	26,068	22,635	15,531
758,393	779,753	798,958	727,343	637,691
322,399	271,154	317,436	453,080	894,739
335,855	306,337	405,519	221,255	227,629
18,605,206	17,879,954	17,641,031	17,049,257	17,558,334
5,818,897	5,677,146	5,497,490	5,036,429	4,746,619
804,436	849,797	1,076,965	1,097,201	984,585
3,077,753	2,858,400	2,981,086	2,881,664	2,962,353
670,706	609,842	593,010	441,569	390,973
5,310,680	4,814,973	4,398,900	4,290,402	4,292,664
813,864	733,620	787,284	753,237	769,682
2,133,687	2,120,834	2,201,181	2,125,267	1,976,391
481,297	319,337	315,337	316,073	316,472
339,840	427,775	732,727	795,020	933,215
19,451,160	18,411,724	18,583,980	17,736,862	17,372,954

Marshall 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 Adminstrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		$ 20,834
U.S. Department of Justice:			
Iowa Department of Human Rights:			
Juvenile Justice and Delinquency Prevention	16.540	32-JD06-F07	1,853
Enforcing Underage Drinking Laws	16.727	32-JD06-F07	3,412
Governor's Office of Drug Control Policy:			
Edward Bryne Memorial Formula Grant	16.579	07JAG/C06-A32	109,926
Iowa Department of Justice-Crime Victims Assistance Division:			
Crime Victim Assistance	16.575	VA-08-42	26,005
Violence Against Women Formula Grants	16.588	VW-08-42	30,355
U.S. Department of Transportation:			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	Disaster #IA-0801	123,955
Iowa Department of Public Safety:			
Governor's Traffic Safety Bureau:			
State and Community Highway Safety	20.600	PAP-08-410 Task 44	2,002
State and Community Highway Safety	20.600	PAP-09-02 Task 10	5,530
			7,532
U.S. Department of Health and Human Services:			
Iowa Department of Human Services:			
Human Services Adminstrative Reimbursements:			
Temporary Assistance for Needy Families	93.558		19,261
Refugee and Entrant Assistance-State Administered Programs	93.566		31
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		5,525
State Children's Insurance Program	93.767		158
Foster Care-Title IV-E	93.658		11,558
Adoption Assistance	93.659		2,808
Medical Assistance Program	93.778		25,281
Social Services Block Grant	93.667		12,623
Social Services Block Grant	93.667		195,964
			208,587
Iowa Department of Public Health:			
Childhood Lead Poisoning Prevention Projects	93.197	5889LP02	122,832

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

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
U.S. Department of Homeland Security			
Iowa Department of Public Defense:			
Homeland Security Division:			
Emergency Management Performance Grant	97.042		40,545
Disaster Grants-Public Assistance			
Presidentially Declared Disasters	97.036	1763-DR-IA	259,212
Total			$ 1,019,670

Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of Marshall 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.

BOWMAN & MILLER, P.C.

CERTIFIED ♦ PUBLIC ♦ ACCOUNTANTS

24 EAST MAIN STREET • MARSHALLTOWN, IOWA 50158 • 641-753-9337 • FAX 641-753-6366
418 2ND STREET • GLADBROOK, IOWA 50635 • 641-473-2717 • FAX 641-753-6366
4949 PLEASANT STREET • SUITE 206 • WEST DES MOINES, IOWA 50266 • 515-278-0286 • FAX 515-278-0287

James R. Bowman, CPA • jim@bowmanandmillerpc.com
Elizabeth A. Miller, CPA • beth@bowmanandmillerpc.com

Independent Auditors' 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 Marshall County:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Marshall 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 January 21, 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 Marshall 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 Marshall County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Marshall 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 a deficiency in internal control over financial reporting that we consider to be a significant deficiency and a deficiency we consider to be a material weakness.

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 Marshall 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 Marshall County's financial statements that is more than inconsequential will not be prevented or detected by Marshall County's internal control. We consider the deficiency in internal control described in Part II of the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency 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 Marshall 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 deficiency described above, we believe item II-A-09 is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marshall 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.

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.

Marshall 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 Marshall 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 Marshall County and other parties to whom Marshall 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 Marshall 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.

Bowman and Miller, P.C.

January 21, 2010

BOWMAN & MILLER, P.C.

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James R. Bowman, CPA • jim@bowmanandmillerpc.com
Elizabeth A. Miller, CPA • beth@bowmanandmillerpc.com

Independent Auditors' 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 Marshall County:

Compliance

We have audited the compliance of Marshall County, Iowa, with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. Marshall County's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Marshall County's management. Our responsibility is to express an opinion on Marshall County's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Marshall 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 Marshall County's compliance with those requirements.

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

Internal Control Over Compliance

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

A control deficiency in Marshall 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 combination of control deficiencies, that adversely affects Marshall 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 Marshall County's internal control.

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

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

Marshall 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 Marshall 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 Marshall County and other parties to whom Marshall 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.

Bowman and Miller, P.C.

January 21, 2010

Marshall County
Schedule of Findings and Questioned Costs
Year Ended June 30, 2009

Part I: Summary of the Independent Auditors' Results:

(a) Unqualified opinions were issued on the financial statements.

(b) A significant deficiency in internal control over financial reporting was disclosed by the audit of the financial statements, including a material weakness.

(c) The audit did not disclose any non-compliance which is material to the financial statements.

(d) No material weaknesses in internal control over major programs were identified.

(e) An unqualified opinion was issued on compliance with requirements applicable to each major program.

(f) The audit disclosed no audit findings which are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).

(g) The major programs were as follows:

CFDA Number 97.036 – Disaster Grants-Public Assistance (Presidentially Declared Disasters) and
CFDA Number 93.667 – Social Services Block Grant

(h) The dollar threshold used to distinguish between Type A and Type B programs was $300,000.

(i) Marshall County did not qualify as a low-risk auditee.

Marshall County
Schedule of Findings and Questioned Costs
Year Ended June 30, 2009

Part II: Findings Related to the Financial Statements:

SIGNIFICANT DEFICIENCY:

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. We noted that generally one or two individuals in the offices identified may have control over the following areas for which no compensating controls exist:

	Applicable Offices
(1) All incoming mail should be opened by an employee who is not authorized to make entries to the accounting records. This employee should prepare a listing of cash and checks received. The mail should then be forwarded to the accounting personnel for processing. Later, the same listing should be compared to the cash receipt records.	Recorder, Sheriff
(2) Bank accounts should be reconciled promptly at the end of each month by an individual who does not sign checks, handle or record cash.	Sheriff

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

Response – The County offices will review their office policies and attempt to segregate duties where possible. Where it is not possible increased review by supervisory personnel will be performed.

Conclusion – Response accepted.

INSTANCES OF NON COMPLIANCE:

No matters were reported.

Marshall County
Schedule of Findings and Questioned Costs
Year Ended June 30, 2009

Part III: Findings and Questioned Costs for Federal Awards:

No matters were reported.

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.

Although the Board of Supervisors acted to increase an appropriation to a department, the amendment was not effective since the required public hearing was not held. Chapter 331.434(6) of the Code of Iowa requires that decreases in appropriations in excess of $5,000 or ten percent, whichever is greater, are not effective unless a public hearing on the decrease is held.

Recommendation – The County should amend appropriations as required before disbursements are allowed to exceed the appropriations.

Response – The current accounting procedures will be reviewed with regard to the timing and necessity of appropriation amendments.

Conclusion – Response accepted.

IV-B-09 Questionable Expenditures – We noted no expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

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

Business Connection	Description	Amount
Angie Kelley, wife of Todd Kelley, Maintenance Supervisor	Fire Extinguishers	$ 866
Dennis Bachman, husband of Deanna Neldeberg-Bachman, Emergency Management Director	EMS Training	3,920
Jonathan Bailey, IT department employee, owner of Code 0 Networks	Computer Services	315

Marshall County
Schedule of Findings and Questioned Costs
Year Ended June 30, 2009

Part IV: Other Findings Related to Required Statutory Reporting (continued):

In accordance with Chapter 362.5(10) of the Code of Iowa, the transactions with Angie Kelley and Jonathan Bailey do not appear to represent a conflict of interest since the total transactions were less than $1,500 during the fiscal year. The transactions with Dennis Bachman may represent a conflict of interest as defined in Chapter 331.342 of the Code of Iowa.

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

Response – Dennis Bachman was doing the same EMS training before he was dating Deanna, during their engagement and after their marriage. Angie Kelley is the only person in the area that provides these services. We have consulted with our County Attorney and she has given us a letter stating that she does not believe there is a conflict of interest.

Conclusion – Response accepted.

IV-E-09 Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of all bonds should be periodically reviewed to ensure that 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 Pooled Investments – No instances of non-compliance with the deposit and pooled investment provisions of Chapter 12B and Chapter 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.

Marshall County
Audit Staff

This audit was performed by:

Bowman and Miller, P.C.
Certified Public Accountants
Marshalltown, Iowa

Personnel:

Elizabeth A. Miller, CPA, Principal
James R. Bowman, CPA, Principal
Loris H. Stansberry, CPA, Principal
Diana S. Swanson, Staff