



**OFFICE OF AUDITOR OF STATE**  
STATE OF IOWA

David A. Vaudt, CPA  
Auditor of State

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NEWS RELEASE

FOR RELEASE

March 21, 2012

Contact: Andy Nielsen  
515/281-5834

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

The County had local tax revenue of \$11,040,837 for the year ended June 30, 2011, which included \$447,303 in tax credits from the state. The County forwarded \$8,222,404 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$2,818,433 of the local tax revenue to finance County operations, a 1.9% increase over the prior year. Other revenues included charges for service of \$480,837, operating grants, contributions and restricted interest of \$2,437,210, capital grants, contributions and restricted interest of \$1,466,887, local option sales tax of \$276,709, gain on disposition of capital assets of \$125,086, unrestricted investment earnings of \$9,745 and other general revenues of \$17,587.

Expenses for County operations totaled \$5,125,591, a 10.0% decrease from the prior year. Expenses included \$2,417,630 for roads and transportation, \$692,743 for mental health and \$655,235 for administration. The decrease in expenses is due primarily to a decrease in roads and transportation expenses.

A copy of the audit report is available for review in the County Auditor's Office, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1110-0047-B00F.pdf>.

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**IDA COUNTY**  
**INDEPENDENT AUDITOR'S REPORTS**  
**BASIC FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FINDINGS**  
**JUNE 30, 2011**

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**Ida County**  
**Officials**  
**(Before January 2011)**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Allen Hilker	Board of Supervisors	Jan 2011
Joseph L. Cronin	Board of Supervisors	Jan 2013
Robert C. Paulsrud	Board of Supervisors	Jan 2013
Lorna Steenbock	County Auditor	Jan 2013
Kay Cork	County Treasurer	Jan 2011
Julie Phillips (Appointed)	County Recorder	Nov 2010
Wade Harriman	County Sheriff	Jan 2013
Kristal Phillips	County Attorney	Jan 2011
Marva Bennigsdorf	County Assessor	Jan 2016

**(After January 2011)**

Joseph L. Cronin	Board of Supervisors	Jan 2013
Robert C. Paulsrud	Board of Supervisors	Jan 2013
Allen Hilker	Board of Supervisors	Jan 2015
Lorna Steenbock	County Auditor	Jan 2013
Kay Cork	County Treasurer	Jan 2015
Julie Phillips	County Recorder	Jan 2015
Wade Harriman	County Sheriff	Jan 2013
Kristal Phillips	County Attorney	Jan 2015
Marva Bennigsdorf	County Assessor	Jan 2016

**Ida County**



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Independent Auditor's Report

To the Officials of Ida County:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Ida County, Iowa, as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements listed in the table of contents. These financial statements are the responsibility of Ida 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 Ida County at June 30, 2011, and the respective changes in financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated March 12, 2012 on our consideration of Ida 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 the Schedule of Funding Progress for the Retiree Health Plan on pages 7 through 13 and 44 through 47 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 Ida County's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the nine years ended June 30, 2010 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
DAVID A. VAUDT, CPA  
Auditor of State

  
WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

March 12, 2012

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Ida 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, 2011. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

### **2011 FINANCIAL HIGHLIGHTS**

- The County's governmental activities revenues increased 16.4%, or approximately \$1,077,000, from fiscal year 2010 to fiscal year 2011. Capital grants, contributions and restricted interest increased approximately \$597,000 over fiscal 2010 due to additional farm-to-market projects being contributed to the County by the Iowa Department of Transportation. Property tax increased approximately \$35,000 over fiscal year 2010 and local option sales tax increased approximately \$166,000.
- The County's governmental activities expenses decreased approximately \$567,000, or 10.0%, in fiscal year 2011 from fiscal year 2010. Roads and transportation expenses decreased approximately \$684,000.
- The County's net assets increased 21.0%, or approximately \$2,507,000 from June 30, 2010 to June 30, 2011.

### **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 Ida 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 Ida County's operations in more detail than the government-wide financial statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Ida County acts solely as an agent or custodian for the benefit of those outside of County government (Agency Funds).

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

Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year, as well as presenting the Schedule of Funding Progress for the Retiree Health Plan.

Other Supplementary Information provides detailed information about the nonmajor governmental and the individual Agency Funds.

## **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 two 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 and 2) the Special Revenue Funds, such as Mental Health, Rural Services and Secondary Roads. 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) 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 E911 surcharge, 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. Ida County's net assets increased from \$11,949,159 to \$14,456,062. The analysis that follows focuses on the changes in the net assets of governmental activities.

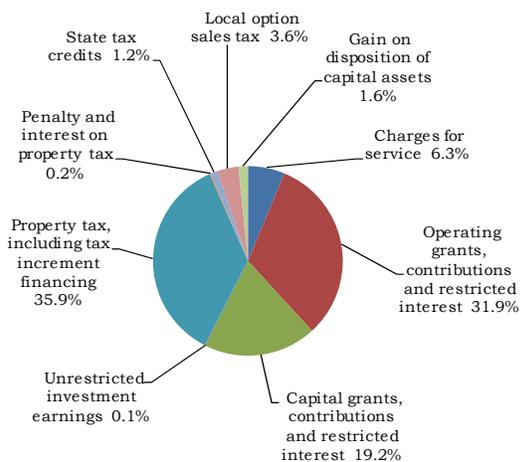
Net Assets of Governmental Activities (Expressed in Thousands)		
	Year ended June 30,	
	2011	2010
Current and other assets	\$ 6,975	6,338
Capital assets	10,896	9,306
Total assets	17,871	15,644
Long-term liabilities	430	459
Other liabilities	2,985	3,236
Total liabilities	3,415	3,695
Net assets:		
Invested in capital assets	10,896	9,306
Restricted	3,051	2,007
Unrestricted	509	636
Total net assets	\$ 14,456	11,949

Net assets of Ida County's governmental activities increased 21.0% (\$11,949,159 compared to \$14,456,062). The largest portion of the County's net assets is invested in capital assets (e.g., land, infrastructure, intangibles, buildings and equipment). Restricted net assets represent resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements—decreased from approximately \$636,000 at June 30, 2010 to approximately \$509,000 at June 30, 2011, a decrease of 20.0%.

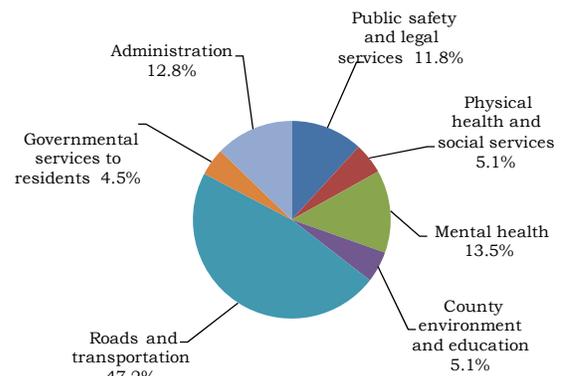
**Changes in Net Assets of Governmental Activities**  
(Expressed in Thousands)

	Year ended June 30,	
	2011	2010
<b>Revenues:</b>		
<b>Program revenues:</b>		
Charges for service	\$ 481	368
Operating grants, contributions and restricted interest	2,437	2,402
Capital grants, contributions and restricted interest	1,467	870
<b>General revenues:</b>		
Property tax, including tax increment financing	2,730	2,695
Penalty and interest on property tax	17	18
State tax credits	88	77
Local option sales tax	277	111
Unrestricted investment earnings	10	14
Gain on disposition of capital assets	125	-
<b>Total revenues</b>	<b>7,632</b>	<b>6,555</b>
<b>Program expenses:</b>		
Public safety and legal services	605	622
Physical health and social services	260	292
Mental health	693	585
County environment and education	263	277
Roads and transportation	2,418	3,102
Governmental services to residents	231	243
Administration	655	571
<b>Total expenses</b>	<b>5,125</b>	<b>5,692</b>
<b>Increase in net assets</b>	<b>2,507</b>	<b>863</b>
<b>Net assets beginning of year</b>	<b>11,949</b>	<b>11,086</b>
<b>Net assets end of year</b>	<b>\$ 14,456</b>	<b>11,949</b>

**Revenues by Source**



**Expenses by Program**



The County decreased property tax rates for fiscal year 2011 an average of 3.0% due, in part, to a decrease in the general supplemental levy rate to \$1.07000 per \$1,000 of taxable valuation from \$1.22000 per \$1,000 of taxable valuation. Taxable valuations increased approximately 4.3% for county wide levies. As a result, property and other county tax revenue increased approximately \$35,000 in fiscal year 2011.

### **INDIVIDUAL MAJOR FUND ANALYSIS**

As Ida County completed the year, its governmental funds reported a combined fund balance of \$3,546,706, an increase of \$895,049 from last year's total of \$2,651,657. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues remained consistent when compared to the prior year. General Fund expenditures decreased approximately \$341,000 over the prior year, due principally to less jail renovation project expenses. The ending fund balance increased \$258,613 from the prior year to \$631,157.
- The County has continued to look for ways to effectively manage the cost of mental health services. For the year, expenditures totaled \$692,743, an increase of 18.4% from the prior year. The revenues totaled \$602,276, a decrease of 13.5%, or \$93,689, from the previous year due to the reduction of state tax relief dollars. The Special Revenue, Mental Health Fund balance at year end decreased \$90,467 from the prior year to \$360,734.
- Special Revenue, Rural Services Fund revenues increased \$173,815, due primarily to an increase in local option sales tax. Expenditures remained consistent when compared to the prior year. The ending fund balance increased \$195,176 from the prior year to \$713,083.
- Special Revenue, Secondary Roads Fund revenues increased \$243,919, or 13.0%, from the prior year. Total expenditures decreased \$209,304 from the prior year, primarily due to a decrease in costs for snow removal and the spreading of additional gravel. The Secondary Roads Fund ending balance increased \$465,520 from the prior year to \$1,325,101.
- The Special Revenue, Arthur Ethanol Donation Fund accounts for payments from Platinum Ethanol, LLC as a result of a private development agreement. The annual contribution of \$25,000 was received January 28, 2011.

### **BUDGETARY HIGHLIGHTS**

Ida County did not amend its budget during fiscal year 2011.

The County's receipts were \$579,300 more than budgeted, a variance of 10.3%. The most significant variance resulted from the County receiving more miscellaneous receipts than anticipated due to the sale of two motor graders and insurance settlements.

Total disbursements were \$466,333 less than budgeted. Actual disbursements for the administration, roads and transportation and county environment and education functions were \$115,252, \$88,810 and \$82,936, respectively, less than budgeted. The administration function had several items which were budgeted but were not expended, including costs related to the jail renovation project, insurance, unemployment, contingency and county government assistance. In the roads and transportation function, anticipated costs for bridge and roadway maintenance did not occur. In the county environment and education function, the budgeted landfill postclosure disbursements were lower than projected and the Weed, REAP and conservation budgets were not fully expended.

The County did not exceed the amounts budgeted by function during fiscal year 2011.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2011, Ida County had approximately \$10.9 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 \$1,589,000, or 17.1%, over last year.

Capital Assets of Governmental Activities at Year End (Expressed in Thousands)		
	June 30,	
	2011	2010
Land	\$ 242	242
Construction in progress	179	555
Buildings and improvements	958	507
Equipment and vehicles	1,634	1,493
Infrastructure	7,882	6,509
<b>Total</b>	<b>\$ 10,895</b>	<b>9,306</b>

This year's major additions included (in thousands):

Capital assets contributed by the Iowa Department of Transportation	\$ 1,467
Jail addition	32
Secondary Roads equipment	476
<b>Total</b>	<b>\$ 1,975</b>

The County had depreciation expense of \$654,450 in fiscal year 2011 and total accumulated depreciation of \$5,273,685 at June 30, 2011. More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

**Long-Term Debt**

At June 30, 2011, Ida County had no general obligation long-term debt outstanding. Information about the County's other long-term liabilities is presented in Note 6 to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Ida County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2012 budget, tax rates and fees charged for various County activities. These factors were considerations for the fiscal year 2012 budget which certified taxes as follows: (Amount certified includes utility replacement and property tax dollars)

Levy	2012	2011	Percentage Change
	Dollars Certified	Dollars Certified	
General basic	\$ 1,469,601	1,398,879	5.06%
General supplemental	383,524	427,657	-10.32%
Mental health	246,781	297,100	-16.94%
Rural services basic	458,817	592,537	-22.57%
<b>Total</b>	<b>\$ 2,558,723</b>	<b>2,716,173</b>	<b>-5.80%</b>

Continued state revenue cutbacks and health insurance increases and the jail renovation project for the past few years are driving increases in property tax. No new services were added in the fiscal year 2012 budget. Levy rates (expressed in \$/\$1,000 of taxable valuation) to produce the above dollars for fiscal year 2012 are as follows:

Levy Rate	2012	2011	Percentage Change
General basic	\$ 3.50000	\$ 3.50000	0.00%
General supplemental	0.91340	1.07000	-14.64%
Mental health	0.59540	0.74335	-19.90%
Rural services basic	1.52000	2.05000	-25.85%
Total	<u>\$ 6.52880</u>	<u>7.36335</u>	<u>-11.33%</u>

Budgeted disbursements in the fiscal year 2012 operating budget are approximately \$6.0 million, which is consistent with the fiscal year 2011 final budget. Total taxable valuations increased approximately \$20 million. The mental health levy rate was lowered 19.9% due to the fiscal year 2011 ending fund balance. The rural services basic levy rate decreased 25.85%, primarily due to the receipt of local option sales tax over the past two fiscal years.

**CONTACTING THE COUNTY’S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Ida 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 Ida County Auditor’s Office, 401 Moorehead Street, Ida Grove, Iowa, 51445-0236.

**Ida County**

## **Basic Financial Statements**

Ida County  
Statement of Net Assets  
June 30, 2011

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and pooled investments	\$ 2,891,758
Restricted cash and pooled investments	399,728
Receivables:	
Succeeding year property tax	2,571,000
Accounts	431,569
Accrued interest	196
Due from other governments	197,497
Inventories	363,076
Prepaid insurance	120,608
Capital assets (net of accumulated depreciation)	<u>10,895,901</u>
<b>Total assets</b>	<u>17,871,333</u>
<b>Liabilities</b>	
Accounts payable	247,905
Salaries and benefits payable	81,588
Due to other governments	84,406
Deferred revenue:	
Succeeding year property tax	2,571,000
Long-term liabilities:	
Portion due or payable within one year:	
Compensated absences	53,416
Estimated liability for closure and postclosure care	12,415
Portion due or payable after one year:	
Compensated absences	22,639
Estimated liability for closure and postclosure care	325,102
Net OPEB liability	<u>16,800</u>
<b>Total liabilities</b>	<u>3,415,271</u>
<b>Net Assets</b>	
Invested in capital assets	10,895,901
Restricted for:	
Supplemental levy purposes	114,735
Mental health purposes	360,734
Rural services purposes	713,083
Secondary roads purposes	1,683,286
Other purposes	179,114
Unrestricted	<u>509,209</u>
<b>Total net assets</b>	<u>\$ 14,456,062</u>

See notes to financial statements.

Ida County

Statement of Activities

Year ended June 30, 2011

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
<b>Functions/Programs:</b>					
Governmental activities:					
Public safety and legal services	\$ 605,379	40,104	2,966	-	(562,309)
Physical health and social services	259,793	12,892	116,347	-	(130,554)
Mental health	692,743	4,581	299,627	-	(388,535)
County environment and education	263,296	58,666	15,048	-	(189,582)
Roads and transportation	2,417,630	171,449	1,964,234	1,466,887	1,184,940
Governmental services to residents Administration	231,515 655,235	139,914 53,231	- 38,988	- -	(91,601) (563,016)
<b>Total</b>	<b>\$ 5,125,591</b>	<b>480,837</b>	<b>2,437,210</b>	<b>1,466,887</b>	<b>(740,657)</b>
<b>General Revenues:</b>					
Property and other county tax levied for general purposes					2,598,602
Tax increment financing					131,673
Penalty and interest on property tax					17,587
State tax credits					88,158
Local option sales tax					276,709
Unrestricted investment earnings					9,745
Gain on disposition of capital assets					125,086
<b>Total general revenues</b>					<b>3,247,560</b>
Change in net assets					2,506,903
Net assets beginning of year					11,949,159
Net assets end of year					<b>\$ 14,456,062</b>

See notes to financial statements.

Ida County  
Balance Sheet  
Governmental Funds

June 30, 2011

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
<b>Assets</b>				
Cash and pooled investments	\$ 631,433	466,605	707,181	970,582
Restricted cash and pooled investments	-	-	-	-
Receivables:				
Succeeding year property tax	1,769,000	236,000	436,000	-
Accounts	1,796	1,000	-	3,773
Accrued interest	164	-	-	-
Due from other governments	46,635	-	5,620	145,078
Inventories	-	-	-	363,076
Prepaid insurance	45,791	-	1,161	72,855
<b>Total assets</b>	<b>\$ 2,494,819</b>	<b>703,605</b>	<b>1,149,962</b>	<b>1,555,364</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 38,816	24,253	335	184,501
Salaries and benefits payable	35,912	-	-	45,625
Due to other governments	1,107	82,618	544	137
Deferred revenue:				
Succeeding year property tax	1,769,000	236,000	436,000	-
Other	18,827	-	-	-
Total liabilities	1,863,662	342,871	436,879	230,263
Fund balances:				
Nonspendable:				
Inventories	-	-	-	363,077
Prepaid insurance	45,791	-	1,161	72,855
Restricted for:				
Supplemental levy purposes	114,735	-	-	-
Mental health purposes	-	360,734	-	-
Rural services purposes	-	-	711,922	-
Secondary roads purposes	-	-	-	889,169
Landfill postclosure	-	-	-	-
Other purposes	-	-	-	-
Assigned for:				
Legal services	20,229	-	-	-
Public safety	2,116	-	-	-
Courthouse maintenance	36,000	-	-	-
Computer equipment	69,023	-	-	-
Conservation	104	-	-	-
Unassigned	343,159	-	-	-
Total fund balances	631,157	360,734	713,083	1,325,101
<b>Total liabilities and fund balances</b>	<b>\$ 2,494,819</b>	<b>703,605</b>	<b>1,149,962</b>	<b>1,555,364</b>

See notes to financial statements.

Arthur Ethanol Donation	Nonmajor	Total
-	115,957	2,891,758
-	399,728	399,728
-	130,000	2,571,000
425,000	-	431,569
-	32	196
-	164	197,497
-	-	363,076
-	801	120,608
425,000	646,682	6,975,432

-	-	247,905
-	51	81,588
-	-	84,406
-	130,000	2,571,000
425,000	-	443,827
425,000	130,051	3,428,726

-	-	363,077
-	801	120,608
-	-	114,735
-	-	360,734
-	-	711,922
-	-	889,169
-	397,418	397,418
-	118,412	118,412
-	-	20,229
-	-	2,116
-	-	36,000
-	-	69,023
-	-	104
-	-	343,159
-	516,631	3,546,706
425,000	646,682	6,975,432

**Ida County**

Ida County

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

June 30, 2011

**Total governmental fund balances (page 19)** \$ 3,546,706

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$16,169,586 and the accumulated depreciation is \$5,273,685. 10,895,901

Other long-term assets are not available to pay current year expenditures and, therefore, are deferred in the governmental funds. 443,827

Long-term liabilities, including the estimated liability for closure and postclosure care, compensated absences payable and other postemployment benefits payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (430,372)

**Net assets of governmental activities (page 16)** \$ 14,456,062

See notes to financial statements.

Ida County

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

Year ended June 30, 2011

	Special		
	General	Mental Health	Rural Services
Revenues:			
Property and other county tax	\$ 1,747,608	284,264	566,730
Local option sales tax	-	-	276,709
Penalty and interest on property tax	17,587	-	-
Intergovernmental	201,755	315,420	27,865
Licenses and permits	12,294	-	-
Charges for service	210,399	-	2,228
Use of money and property	9,605	-	-
Miscellaneous	63,543	2,592	3,645
Total revenues	2,262,791	602,276	877,177
Expenditures:			
Operating:			
Public safety and legal services	622,251	-	-
Physical health and social services	259,742	-	-
Mental health	-	692,743	-
County environment and education	225,632	-	51,523
Roads and transportation	-	-	-
Governmental services to residents	227,452	-	-
Administration	626,655	-	-
Capital projects	-	-	-
Total expenditures	1,961,732	692,743	51,523
Excess (deficiency) of revenues over (under) expenditures	301,059	(90,467)	825,654
Other financing sources (uses):			
Sale of capital assets	-	-	-
Operating transfers in	200,000	-	187,076
Operating transfers out	(242,446)	-	(817,554)
Total other financing sources (uses)	(42,446)	-	(630,478)
Net change in fund balances	258,613	(90,467)	195,176
Fund balances beginning of year, as restated	372,544	451,201	517,907
Fund balances end of year	\$ 631,157	360,734	713,083

See notes to financial statements.

Revenue				
Secondary Roads	Arthur Ethanol Donation	Nonmajor		Total
-	-	131,673		2,730,275
-	-	-		276,709
-	-	-		17,587
1,954,270	-	12,211		2,511,521
3,145	-	-		15,439
-	-	1,607		214,234
-	-	3,240		12,845
168,303	25,000	5,001		268,084
<u>2,125,718</u>	<u>25,000</u>	<u>153,732</u>		<u>6,046,694</u>
-	-	-		622,251
-	-	-		259,742
-	-	-		692,743
-	-	9,757		286,912
2,374,426	-	-		2,374,426
-	-	-		227,452
-	-	2,977		629,632
214,587	-	-		214,587
<u>2,589,013</u>	<u>-</u>	<u>12,734</u>		<u>5,307,745</u>
<u>(463,295)</u>	<u>25,000</u>	<u>140,998</u>		<u>738,949</u>
156,100	-	-		156,100
772,715	-	2,312		1,162,103
-	(25,000)	(77,103)		(1,162,103)
<u>928,815</u>	<u>(25,000)</u>	<u>(74,791)</u>		<u>156,100</u>
465,520	-	66,207		895,049
859,581	-	450,424		2,651,657
<u>1,325,101</u>	<u>-</u>	<u>516,631</u>		<u>3,546,706</u>

## Ida County

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

Year ended June 30, 2011

**Net change in fund balances - Total governmental funds (page 23)** \$ 895,049***Amounts reported for governmental activities in the Statement of  
Activities are different because:***

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay expenditures and contributed capital assets exceeded depreciation expense in the current year, as follows:

Expenditures for capital assets	\$ 808,309	
Capital assets contributed by the Iowa Department of Transportation	1,466,887	
Depreciation expense	<u>(654,450)</u>	1,620,746

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. (31,014)

Governmental funds report revenue in the current year for amounts deferred in prior years because they were not considered available at that time. (6,173)

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	3,032	
Adjustment to estimated costs for landfill closure and postclosure care	32,503	
Other postemployment benefits	<u>(7,240)</u>	<u>28,295</u>

**Change in net assets of governmental activities (page 17)** \$ 2,506,903

See notes to financial statements.

Ida County  
Statement of Fiduciary Assets and Liabilities  
Agency Funds

June 30, 2011

**Assets**

Cash and pooled investments:	
County Treasurer	\$ 677,154
Other County officials	29,644
Receivables:	
Succeeding year property tax	7,842,000
Accounts	13,086
Accrued interest	92
Due from other governments	7,125
<b>Total assets</b>	<b>8,569,101</b>

**Liabilities**

Accounts payable	11,187
Salaries and benefits payable	49,190
Due to other governments	8,454,620
Trusts payable	9,651
Deferred revenue	2,457
Compensated absences	41,996
<b>Total liabilities</b>	<b>8,569,101</b>

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

Ida County

Notes to Financial Statements

June 30, 2011

**(1) Summary of Significant Accounting Policies**

Ida 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, Ida County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County. The County has no component units which meet the Governmental Accounting Standards Board criteria.

Ida County Public Safety and Communications Commission – Ida County is a member of the Ida County Public Safety and Communications Commission (the Commission) established pursuant to Chapter 28E of the Code of Iowa. The Commission plans for County-wide law enforcement and communications within the boundaries of Ida County, including all rural areas and participating municipalities. The Commission can contract with any and all public agencies which wish to enter into contracts with the Commission for the provision of law enforcement, communications and public safety services. The Commission furnishes law enforcement services, emergency communications and such other services as may be necessary to protect the rights and property of all citizens of any public agency contracting with the Commission. The Commission's Board is composed of three representatives selected by and from the Ida County Board of Supervisors and one representative selected by each participating municipality. The Commission is funded primarily by assessments made against each participating member. The County's participating share cannot be less than 43 percent of the annual budget. The County has an ongoing financial responsibility to the Commission for its continued existence. Membership in the Commission for the year ended June 30, 2011 included five municipalities and the County. Ida County contributed \$428,959 and the

municipalities contributed \$568,850 to support the Commission. Financial transactions of the Commission are included in the County's financial statements only to the extent of the County's fiduciary relationship with the Commission and, as such, are reported as part of the Other Agency Funds of the County.

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: Ida County Assessor's Conference Board, Ida County Emergency Management Commission, Ida County Public Safety Commission and Ida County Joint E911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Agency Funds of the County.

The County also participates in the following jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa: West Central Iowa Sheltered Workshop, Siouxland Regional 12 Transit, Regional 12 Landfill, Third Judicial District Department of Corrections, Mid Sioux Community Action Agency and Northwest Iowa Multicounty Regional Detention Center.

#### B. Basis of Presentation

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

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

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

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

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

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

Fund Financial Statements – Separate financial statements are provided for governmental funds 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 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 the road use tax allocation from the State of Iowa, required transfers from the General and Special Revenue, Rural Services Funds and other revenues to be used for secondary road construction and maintenance.

The Arthur Ethanol Donation Fund is used to account for revenues from Platinum Ethanol, LLC to be used by the County for County improvement projects.

Additionally, the County reports fiduciary/agency funds which 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 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 year or soon enough thereafter to pay liabilities of the current year. For this purpose, the County considers revenues to be available if they are collected within 60 days after year end.

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

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

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general revenues.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the County's policy is to pay the expenditure from restricted fund balance and then from less-restrictive classifications – committed, assigned and then unassigned fund balances.

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

#### D. Assets, Liabilities and Fund Equity

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

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

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2009 assessed property valuations; is for the tax accrual period July 1, 2010 through June 30, 2011 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2010.

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, intangibles and infrastructure assets acquired after July 1, 2003 (e.g., roads, bridges, curbs, gutters, sidewalks and similar items which are immovable and of value only to the County), are reported in the governmental activities column in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

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

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

Asset Class	Estimated Useful lives (In Years)
Buildings	40
Infrastructure	10 - 65
Intangibles	10 - 65
Equipment and vehicles	5 - 12

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

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

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

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2011. The compensated absences liability attributable to the governmental activities will be paid primarily by the General, Mental Health, Rural Services and Secondary Roads Funds.

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

Fund Equity – In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

Assigned – Amounts the Board of Supervisors intend to use for specific purposes.

Unassigned – All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

**(2) Cash and Pooled Investments**

The County's deposits in banks at June 30, 2011 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

The County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$19,307 pursuant to Rule 2a-7 under the Investment Company Act of 1940. The investments in the Iowa Public Agency Investment Trust are unrated for credit risk purposes.

**(3) Interfund Transfers**

The detail of interfund transfers for the year ended June 30, 2011 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General	Special Revenue:	
	Rural Services	\$ 175,000
	Arthur Ethanol Donation	25,000
Special Revenue:		
Secondary Roads	General	67,446
	Special Revenue:	
	Rural Services	642,554
	Ida County Urban Renewal 1	61,517
	Ida County Urban Renewal 2	1,198
Rural Services	General	175,000
	Special Revenue:	
	Landfill Closure/Postclosure	12,076
Transfer Station Closure	Special Revenue:	
	Landfill Closure/Postclosure	2,312
Total		<u>\$ 1,162,103</u>

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

**(4) Capital Assets**

Capital assets activity for the year ended June 30, 2011 was as follow:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 241,692	-	-	241,692
Construction in progress	555,191	211,859	(587,684)	179,366
Total capital assets not being depreciated	<u>796,883</u>	<u>211,859</u>	<u>(587,684)</u>	<u>421,058</u>
Capital assets being depreciated:				
Buildings	1,486,755	500,495	-	1,987,250
Equipment and vehicles	4,465,604	483,647	(364,183)	4,585,068
Infrastructure, road network	7,509,331	1,666,879	-	9,176,210
Total capital assets being depreciated	<u>13,461,690</u>	<u>2,651,021</u>	<u>(364,183)</u>	<u>15,748,528</u>
Less accumulated depreciation for:				
Buildings	979,709	48,978	-	1,028,687
Equipment and vehicles	2,972,634	311,070	(333,169)	2,950,535
Infrastructure, road network	1,000,061	294,402	-	1,294,463
Total accumulated depreciation	<u>4,952,404</u>	<u>654,450</u>	<u>(333,169)</u>	<u>5,273,685</u>
Total capital assets being depreciated, net	<u>8,509,286</u>	<u>1,996,571</u>	<u>(31,014)</u>	<u>10,474,843</u>
Governmental activities capital assets, net	<u>\$ 9,306,169</u>	<u>2,208,430</u>	<u>(618,698)</u>	<u>10,895,901</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 12,512
County environment and education	16,255
Roads and transportation	598,092
Administration	<u>27,591</u>
Total depreciation expense - governmental activities	<u>\$ 654,450</u>

**(5) Due to Other Governments**

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

Fund	Description	Amount
General	Services	\$ 1,107
Special Revenue:		
Mental Health	Services	82,618
Rural Services	Services	544
Secondary Roads	Services	137
		<u>83,299</u>
Total for governmental funds		<u>\$ 84,406</u>
Agency:		
County Offices	Collections	\$ 20,027
Agricultural Extension Education		121,475
County Assessor		155,152
Schools		5,397,290
Community Colleges		320,117
Corporations		1,761,909
Townships		204,772
Auto License and Use Tax		215,642
All other		258,236
Total for agency funds		<u>\$ 8,454,620</u>

**(6) Long-Term Liabilities**

A summary of changes in long-term liabilities for the year ended June 30, 2011 is as follows:

	Compen- sated Absences	Estimated Liability for Closure and Postclosure Care	Net OPEB Liability	Total
Balance beginning of year	\$ 79,087	370,020	9,560	458,667
Increases	46,152	2,312	12,900	61,364
Decreases	49,184	34,815	5,660	89,659
Balance end of year	<u>\$ 76,055</u>	<u>337,517</u>	<u>28,120</u>	<u>430,372</u>
Due within one year	<u>\$ 53,416</u>	<u>12,415</u>	-	<u>65,831</u>

**(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 4.50% of their annual covered salary and the County is required to contribute 6.95% of covered salary. Certain employees in special risk occupations and the County contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2011, 2010 and 2009 were \$143,056, \$138,223 and \$126,634, respectively, equal to the required contributions for each year.

**(8) Other Postemployment Benefits (OPEB)**

Plan Description – The County operates a single-employer health benefit plan which provides health benefits for employees and retirees and their spouses. There are 47 active and 3 retired members in the plan. Retired participants must be age 55 or older at retirement, with the exception of special service participants who must be age 50 with 22 years of service.

The health benefits are provided through a self-funded group health insurance program administered by the Iowa State Association of Counties. Retirees under age 65 pay the same premium for the health benefit as active employees, which results in an implicit rate subsidy and an OPEB liability. Surviving spouses of retirees are allowed to continue coverage under COBRA for 36 months.

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

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

The following table shows the components of the County's annual OPEB cost for the year ended June 30, 2011, the amount actually contributed to the plan and changes in the County's net OPEB obligation:

Annual required contribution	\$ 12,900
Interest on net OPEB obligation	400
Adjustment to annual required contribution	(400)
Annual OPEB cost	<u>12,900</u>
Contributions made	<u>(5,660)</u>
Increase in net OPEB obligation	7,240
Net OPEB obligation beginning of year	9,560
Net OPEB obligation end of year	<u><u>\$ 16,800</u></u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. 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, 2011.

For the year ended June 30, 2011, the County contributed \$5,660 to the health plan. Plan members eligible for benefits contributed \$12,528, or 68.9% of the premium costs.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2011 are summarized as follows:

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 12,878	25.8%	\$ 9,560
2011	12,900	43.9%	16,800

Funded Status and Funding Progress – As of July 1, 2009, the most recent actuarial valuation date for the period July 1, 2010 through June 30, 2011, the actuarial accrued liability was \$114,158, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$114,158. The covered payroll (annual payroll of active employees covered by the plan) was \$1,717,195 and the ratio of the UAAL to covered payroll was 6.6%. As of June 30, 2011, there were no trust fund assets.

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

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

As of July 1, 2009 actuarial valuation date, the unit credit actuarial cost method was used. The actuarial assumptions include a 4% discount rate based on the County's funding policy. The projected annual medical trend rate is 10%. The ultimate medical trend rate is 5%. The medical trend rate is reduced .5% each year until reaching the 5% ultimate trend rate.

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

Projected claim costs of the medical plan are \$691 per month for retirees and \$691 per month for the retiree's spouse. The salary increase rate was assumed to be 3% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis for 30 years.

**(9) Risk Management**

The County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 645 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained to equal 150 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

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

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's contributions to the Pool for the year ended June 30, 2011 were \$172,863.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured in an amount not to exceed \$2,650,000 per claim. For members requiring specific coverage from \$3,000,000 to \$12,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$150,000 each occurrence, each location, with excess coverage reinsured by The Travelers Insurance Company.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2011, no liability has been recorded in the County's financial statements. As of June 30, 2011, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

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

**(10) Closure and Postclosure Care Costs**

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

Governmental Accounting Standards Board Statement No. 18 requires landfill owners to estimate total landfill closure and postclosure care costs and recognize a portion of these costs each year based on the percentage of estimated total landfill capacity used that period. Estimated total costs consist of four components: (1) the cost of equipment and facilities used in postclosure monitoring and care, (2) the cost of final cover (material and labor), (3) the cost of monitoring the landfill during the postclosure period and (4) the cost of any environmental cleanup required after closure. Estimated total cost is based on the cost to purchase those services and equipment currently and is required to be updated annually for changes due to inflation or deflation, technology, or applicable laws or regulations. Postclosure care costs for the Ida County Landfill have been estimated at \$335,205 and a provision for this liability has been made on the County's Statement of Net Assets as of June 30, 2011. This amount is based on what it would cost to perform all postclosure care during the year ended June 30, 2011. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The Ida County Landfill closed during fiscal year 2008 at 100% capacity.

To comply with state regulations, the County is required to complete a closure plan detailing how the transfer station will comply with proper disposal of all solid waste and litter at the site, cleaning the transfer station building, including the rinsing of all surfaces that have come in contact with solid waste or washwater, cleaning of all solid waste transport vehicles that will remain on site, including the rinsing of all surfaces that have come in contact with solid waste, and the removal and proper management of all washwater in the washwater management system.

To comply with state regulations, the County is required to maintain a closure account as financial assurance for the closure costs. The effect of the state requirement is to commit landfill owners to perform certain closing functions as a condition for the right to operate the transfer station.

As of June 30, 2011, the total closure care costs for the transfer station have been estimated at \$2,312 and a provision for this liability has been made in the County's Statement of Net Assets as of June 30, 2011.

Chapter 455B.306(9)(b) of the Code of Iowa requires permit holders of municipal solid waste landfills to maintain separate closure and postclosure care accounts to accumulate resources for the payment of closure and postclosure care costs. The County has accumulated resources to fund these liabilities and, at June 30, 2011, assets of \$399,730 are restricted for these purposes. They are reported as restricted investments and accrued interest receivable in the Special Revenue, Landfill Closure/Postclosure and Transfer Station Closure Funds in the Statement of Net Assets.

**(11) Ida County Public Safety and Communications Commission**

The County participates in the Ida County Public Safety and Communications Commission, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa. Financial transactions of this organization are included in the County's financial statements as part of the Other Agency Funds because of the County's fiduciary relationship with the organization. The following financial data for the Commission is for the year ended June 30, 2011:

	Operating	Confiscated Property	Sheriff's K-9	Sheriff's Commissary	Sherrif's Reserve Deputy	Sheriff's DARE	Total
<b>Additions:</b>							
Contributions from governmental units:							
Ida County	\$ 428,959	-	-	-	-	-	428,959
Ida Grove	272,339	-	-	-	-	-	272,339
Holstein	162,605	-	-	-	-	-	162,605
Arthur	26,148	-	-	-	-	-	26,148
Galva	32,940	-	-	-	-	-	32,940
Battle Creek	74,818	-	-	-	-	-	74,818
	<u>997,809</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>997,809</u>
Prisoner fees:							
Boarding fees	6,250	-	-	-	-	-	6,250
Work release fees	2,750	-	-	-	-	-	2,750
Commissary fees	-	-	-	362	-	-	362
	<u>9,000</u>	<u>-</u>	<u>-</u>	<u>362</u>	<u>-</u>	<u>-</u>	<u>9,362</u>
Miscellaneous:							
Refunds	2,793	-	-	-	-	-	2,793
Miscellaneous	2,947	-	-	-	-	-	2,947
	<u>5,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,740</u>
Total additions	<u>1,012,549</u>	<u>-</u>	<u>-</u>	<u>362</u>	<u>-</u>	<u>-</u>	<u>1,012,911</u>
<b>Deductions:</b>							
Salaries and wages	566,596	-	-	-	-	-	566,596
Benefits	203,153	-	-	-	-	-	203,153
Iowa system rental	4,164	-	-	-	-	-	4,164
Postage and mailing	3,038	-	-	-	-	-	3,038
Office supplies	8,559	-	-	-	-	-	8,559
Mileage and subsistence	2,255	-	-	-	-	-	2,255
Education and training	13,877	-	-	-	-	-	13,877
Uniform allowance	5,500	-	-	-	-	-	5,500
Insurance	47,593	-	-	-	-	-	47,593
Equipment, supplies and maintenance	65,199	-	-	-	-	-	65,199
Motor vehicle	15,300	-	-	-	-	-	15,300
Motor vehicle supplies	47,517	-	-	-	-	-	47,517
Telephone and fax	11,371	-	-	-	-	-	11,371
Radio equipment repair and maintenance	342	-	-	-	-	-	342
Investigations	81	-	-	-	-	-	81
Jail food and provisions	8,225	-	-	55	-	-	8,280
Jail supplies	2,992	-	-	-	-	-	2,992
Medical supplies	1,662	-	-	-	-	-	1,662
Improvements	3,923	-	-	-	-	-	3,923
Miscellaneous	14,134	-	-	-	4	-	14,138
Total deductions	<u>1,025,481</u>	<u>-</u>	<u>-</u>	<u>55</u>	<u>4</u>	<u>-</u>	<u>1,025,540</u>
Change in net assets	(12,932)	-	-	307	(4)	-	(12,629)
Balance beginning of year	92,405	1,662	32	756	198	16	95,069
Balance end of year	<u>\$ 79,473</u>	<u>1,662</u>	<u>32</u>	<u>1,063</u>	<u>194</u>	<u>16</u>	<u>82,440</u>

**(12) Public Health Services Agreement**

In February 2006, an agreement was entered into between Horn Memorial Hospital, Ida County and the Ida County Board of Health for the purpose of consolidating services offered by Horn Memorial Hospital and the Ida County Board of Health. In the agreement, Horn Memorial Hospital agreed to provide public health nursing services and home care services for and on behalf of the Ida County Board of Health to the residents of Ida County. Under the agreement, the Board of Health shall continue as an organizational entity and shall continue to act in compliance with Chapter 137 of the Code of Iowa and Chapter 79 of the Iowa Administrative Code, where applicable. The agreement was effective July 1, 2006 and will continue year to year unless terminated.

The services provided by home health, public health and homemakers service will be under the administrative control of the Hospital. All services rendered under the terms of the agreement are to be funded by the Hospital, except where residents of Ida County may be unable to pay for said services, in which case the Hospital may submit monthly claims for reimbursements for services and fees to the County for payment. In addition, the County agrees to pay the Hospital an annual fee of \$85,000 for public health services, which will be paid in quarterly increments beginning July 1, 2006. An annual cost of living increase, as determined by the cost of living index for Social Security benefits, will be provided for each following year.

The Hospital is to perform in good faith all duties delegated to it by the Board of Health, including duties that may be imposed upon the Board of Health by statute or administrative rule, provided the Hospital shall receive adequate compensation for those additional duties or services.

**(13) Development Agreements and Establishment of Urban Renewal Area**

The County entered into development agreements to assist in urban renewal projects and established an urban renewal area, as follows:

In November 2006, the County entered into a private development agreement with Maple River Energy, LLC for construction of a 5 million gallon per year biodiesel and soybean processing plant. The County agreed to provide a 100% abatement of Maple River Energy, LLC property tax for ten years. The County also agreed to rebate 75% of the tax paid by Maple River Energy, LLC, for an additional ten years, which will begin in year eleven. The County agreed to pay up to \$362,000 for expenses related to road improvements to support the project. As of June 30, 2011, the County has incurred costs of \$321,772 related to the road project.

In March 2007, the County entered into a private development agreement under the authorization of Chapter 403 of the Code of Iowa with Platinum Ethanol, LLC for the construction of a dry mill, corn-processing ethanol plant facility at an amount of not less than \$160,000,000. The County has adopted Ida County Urban Renewal Plan #1, which encompasses the development property. The County will provide a 100% abatement of Platinum Ethanol, LLC property tax for ten years. The County also agreed to rebate 75% of the tax paid by Platinum Ethanol, LLC for an additional ten years, which will begin in year eleven. The County agreed to pay up to \$350,000 for expenses related to road improvements to support the project. On December 15, 2010, the County amended the agreement to include an additional \$150,000 in expenses related to road improvements, for a total of \$500,000. As of June 30, 2011, the County has incurred costs of \$265,338 related to road improvements. Platinum Ethanol, LLC will make nineteen annual payments in the amount of \$25,000 to the County beginning no later than January 30, 2010 and continuing for eighteen additional years on the anniversary of the first payment, for a total of \$475,000, to be used by the County for County improvement projects. As of June 30, 2011, the County has received cumulative contributions totaling \$50,000.

**(14) Accounting Change/Restatement**

Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, was implemented during the year ended June 30, 2011. The effect of fund type reclassifications is as follows:

	<u>General</u>	<u>Special Revenue - County Government Assistance</u>
Balances June 30, 2010, as previously reported	\$ 324,266	48,278
Changes in fund type classification per implementation of GASB Statement No. 54	<u>48,278</u>	<u>(48,278)</u>
Balances July 1, 2010, as restated	<u>\$ 372,544</u>	<u>-</u>

**Required Supplementary Information**

Ida 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, 2011

	Actual	Budgeted Amounts Original/Final	Final to Actual Variance
<b>Receipts:</b>			
Property and other county tax	\$ 3,043,187	2,909,716	133,471
Interest and penalty on property tax	17,587	4,000	13,587
Intergovernmental	2,469,736	2,302,648	167,088
Licenses and permits	16,090	12,300	3,790
Charges for service	214,165	175,000	39,165
Use of money and property	16,639	9,515	7,124
Miscellaneous	421,302	206,227	215,075
Total receipts	<u>6,198,706</u>	<u>5,619,406</u>	<u>579,300</u>
<b>Disbursements:</b>			
Public safety and legal services	620,709	665,064	44,355
Physical health and social services	254,892	321,381	66,489
Mental health	731,421	731,421	-
County environment and education	283,447	366,383	82,936
Roads and transportation	2,541,190	2,630,000	88,810
Governmental services to residents	223,573	246,652	23,079
Administration	635,485	750,736	115,251
Capital projects	214,587	260,000	45,413
Total disbursements	<u>5,505,304</u>	<u>5,971,637</u>	<u>466,333</u>
Excess (deficiency) of receipts over (under) disbursements	693,402	(352,231)	1,045,633
Balance beginning of year	2,598,084	1,813,595	784,489
Balance end of year	<u>\$ 3,291,486</u>	<u>1,461,364</u>	<u>1,830,122</u>

See accompanying independent auditor's report.

Ida County  
 Budgetary Comparison Schedule - Budget to GAAP Reconciliation  
 Required Supplementary Information  
 Year ended June 30, 2011

	Governmental Funds		
	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis
Revenues	\$ 6,198,706	(152,012)	6,046,694
Expenditures	5,505,304	(197,559)	5,307,745
Net	693,402	45,547	738,949
Other financing sources, net	-	156,100	156,100
Beginning fund balances	2,598,084	53,573	2,651,657
Ending fund balances	<u>\$ 3,291,486</u>	<u>255,220</u>	<u>3,546,706</u>

See accompanying independent auditor's report.

Ida County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2011

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

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except the 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 eight major classes of expenditures known as functions, not by fund. These eight 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 and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund and the Special Revenue Funds. 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. There were no budget amendments during the year.

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, 2011, disbursements did not exceed the amounts budgeted by function. However, disbursements for one department exceeded the amount appropriated before the Board of Supervisors acted to increase the appropriation.

Ida County

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

Required Supplementary Information

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	Jul 1, 2009	-	\$ 114	114	0.00%	\$ 1,776	6.4%
2011	Jul 1, 2009	-	114	114	0.00	1,717	6.6

See Note 8 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

**Ida County**

**Other Supplementary Information**

Ida County  
 Combining Balance Sheet  
 Nonmajor Governmental Funds

June 30, 2011

	County Recorder's Records Management	Resource Enhancement and Protection	Special Confiscated Funds - County Attorney
<b>Assets</b>			
Cash and pooled investments	\$ 9,729	25,677	4,527
Restricted cash and pooled investments	-	-	-
Receivables:			
Succeeding year property tax	-	-	-
Accrued interest	-	30	-
Due from other governments	-	-	164
Prepaid insurance	-	801	-
<b>Total assets</b>	<b>\$ 9,729</b>	<b>26,508</b>	<b>4,691</b>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Salaries and benefits payable	\$ -	51	-
Succeeding year property tax	-	-	-
Total liabilities	-	51	-
Fund balances:			
Restricted for other purposes	9,729	26,457	4,691
<b>Total liabilities and fund balances</b>	<b>\$ 9,729</b>	<b>26,508</b>	<b>4,691</b>

See accompanying independent auditor's report.

Revenue					
Landfill Closure/ Postclosure	Ida County Urban Renewal 1	Ida County Urban Renewal 2	Transfer Station Closure	Public Health Services Enhancement	Total
-	68,958	-	-	7,066	115,957
397,416	-	-	2,312	-	399,728
-	130,000	-	-	-	130,000
2	-	-	-	-	32
-	-	-	-	-	164
-	-	-	-	-	801
397,418	198,958	-	2,312	7,066	646,682
-	-	-	-	-	51
-	130,000	-	-	-	130,000
-	130,000	-	-	-	130,051
397,418	68,958	-	2,312	7,066	516,631
397,418	198,958	-	2,312	7,066	646,682

Ida County

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

Year ended June 30, 2011

	County Recorder's Records Management	Resource Enhancement and Protection	Special Confiscated Funds - County Attorney
<b>Revenues:</b>			
Property and other county tax	\$ -	-	-
Intergovernmental	-	11,809	402
Charges for service	1,607	-	-
Use of money and property	-	-	-
Miscellaneous	-	5,001	-
Total revenues	1,607	16,810	402
<b>Expenditures:</b>			
Operating:			
County environment and education	-	9,757	-
Administration	2,977	-	-
Total expenditures	2,977	9,757	-
Excess (deficiency) of revenues over (under) expenditures	(1,370)	7,053	402
<b>Other financing sources (uses):</b>			
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	(1,370)	7,053	402
Fund balances beginning of year, as restated	11,099	19,404	4,289
Fund balances end of year	\$ 9,729	26,457	4,691

See accompanying independent auditor's report.

Revenue						
Landfill Closure/ Postclosure	Ida County Urban Renewal 1	Ida County Urban Renewal 2		Transfer Station Closure	Public Health Services Enhancement	Total
-	130,475	1,198		-	-	131,673
-	-	-		-	-	12,211
-	-	-		-	-	1,607
3,240	-	-		-	-	3,240
-	-	-		-	-	5,001
3,240	130,475	1,198	-	-	-	153,732
-	-	-		-	-	9,757
-	-	-		-	-	2,977
-	-	-		-	-	12,734
3,240	130,475	1,198	-	-	-	140,998
-	-	-		2,312	-	2,312
(14,388)	(61,517)	(1,198)		-	-	(77,103)
(14,388)	(61,517)	(1,198)		2,312	-	(74,791)
(11,148)	68,958	-		2,312	-	66,207
408,566	-	-		-	7,066	450,424
397,418	68,958	-		2,312	7,066	516,631

Ida County

Combining Schedule of Changes in Fiduciary Assets and Liabilities  
Agency Funds

June 30, 2011

	County Offices	Agricultural Extension Education	County Assessor	Schools
<b>Assets</b>				
Cash and pooled investments:				
County Treasurer	\$ -	1,475	46,442	66,290
Other County officials	29,644	-	-	-
Receivables:				
Succeeding year property tax Accounts	-	120,000	119,000	5,331,000
Accrued interest	34	-	-	-
Due from other governments	-	-	-	-
<b>Total assets</b>	<b>\$ 29,678</b>	<b>121,475</b>	<b>165,442</b>	<b>5,397,290</b>
<b>Liabilities</b>				
Accounts payable	\$ -	-	67	-
Salaries and benefits payable	-	-	4,780	-
Due to other governments	20,027	121,475	155,152	5,397,290
Trusts payable	9,651	-	-	-
Deferred revenue	-	-	-	-
Compensated absences	-	-	5,443	-
<b>Total liabilities</b>	<b>\$ 29,678</b>	<b>121,475</b>	<b>165,442</b>	<b>5,397,290</b>

See accompanying independent auditor's report.

Community Colleges	Corpor- ations	Townships	Auto License and Use Tax	Other	Total
4,117	8,909	2,772	215,642	331,507	677,154
-	-	-	-	-	29,644
316,000	1,753,000	202,000	-	1,000	7,842,000
-	-	-	-	13,052	13,086
-	-	-	-	92	92
-	-	-	-	7,125	7,125
<b>320,117</b>	<b>1,761,909</b>	<b>204,772</b>	<b>215,642</b>	<b>352,776</b>	<b>8,569,101</b>
-	-	-	-	11,120	11,187
-	-	-	-	44,410	49,190
320,117	1,761,909	204,772	215,642	258,236	8,454,620
-	-	-	-	-	9,651
-	-	-	-	2,457	2,457
-	-	-	-	36,553	41,996
<b>320,117</b>	<b>1,761,909</b>	<b>204,772</b>	<b>215,642</b>	<b>352,776</b>	<b>8,569,101</b>

Ida County

Combining Schedule of Changes in Fiduciary Assets and Liabilities  
Agency Funds

Year ended June 30, 2011

<b>Assets and Liabilities</b>	County Offices	Agricultural Extension Education	County Assessor	Schools
Balances beginning of year	\$ 26,805	115,043	159,883	5,131,265
Additions:				
Property and other county tax	-	120,336	145,635	5,345,307
E911 surcharge	-	-	-	-
State tax credits	-	5,552	6,732	248,961
Drivers license fees	-	-	-	-
Office fees and collections	165,443	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Trusts	117,441	-	-	-
Assessments	-	-	-	-
Miscellaneous	-	-	442	-
Total additions	282,884	125,888	152,809	5,594,268
Deductions:				
Agency remittances:				
To other funds	57,844	-	-	-
To other governments	103,866	119,456	147,250	5,328,243
Trusts paid out	118,301	-	-	-
Total deductions	280,011	119,456	147,250	5,328,243
Balances end of year	\$ 29,678	121,475	165,442	5,397,290

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Other	Total
319,920	1,711,726	187,811	212,114	331,162	8,195,729
316,961	1,731,519	202,201	-	1,300	7,863,259
-	-	-	-	87,748	87,748
15,457	73,604	8,776	-	63	359,145
-	-	-	13,426	-	13,426
-	-	-	-	25	165,468
-	-	-	2,533,713	-	2,533,713
-	-	-	-	21,084	138,525
-	-	-	-	9,454	9,454
-	-	-	-	1,076,381	1,076,823
332,418	1,805,123	210,977	2,547,139	1,196,055	12,247,561
-	-	-	91,131	-	148,975
332,221	1,754,940	194,016	2,452,480	1,153,459	11,585,931
-	-	-	-	20,982	139,283
332,221	1,754,940	194,016	2,543,611	1,174,441	11,874,189
320,117	1,761,909	204,772	215,642	352,776	8,569,101

Ida County

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

For the Last Ten Years

	2011	2010	2009
<b>Revenues:</b>			
Property and other county tax	\$ 2,730,275	2,689,469	2,014,611
Local option sales tax	276,709	111,477	-
Interest and penalty on property tax	17,587	18,177	14,344
Intergovernmental	2,511,521	2,488,046	2,814,275
Licenses and permits	15,439	16,969	14,894
Charges for service	214,234	206,147	203,993
Use of money and property	12,845	19,763	54,773
Fines, forfeitures and defaults	-	-	-
Miscellaneous	268,084	161,042	92,533
Total	<u>\$ 6,046,694</u>	<u>5,711,090</u>	<u>5,209,423</u>
<b>Expenditures:</b>			
Operating:			
Public safety and legal services	\$ 622,251	618,674	582,787
Physical health and social services	259,742	292,453	254,743
Mental health	692,743	585,229	617,916
County environment and education	286,912	269,543	616,675
Roads and transportation	2,374,426	2,644,571	2,242,896
Governmental services to residents	227,452	242,777	250,908
Administration	571,705	562,824	646,839
Capital projects	272,514	552,796	280,420
Total	<u>\$ 5,307,745</u>	<u>5,768,867</u>	<u>5,493,184</u>

See accompanying independent auditor's report.

Modified Accrual Basis						
2008	2007	2006	2005	2004	2003	2002
1,938,425	1,819,514	1,805,477	1,794,080	1,781,461	1,753,654	1,711,400
-	-	-	-	-	-	-
15,209	14,322	16,904	16,512	15,886	13,930	14,823
2,499,595	2,490,839	2,498,943	2,556,140	2,401,989	2,277,734	2,457,162
14,464	12,909	13,883	9,907	8,545	8,877	6,665
296,179	387,574	424,370	436,497	413,286	336,877	357,731
178,595	235,173	190,666	85,074	46,471	77,434	116,107
-	-	-	-	-	-	224
102,631	245,039	18,408	36,389	2,491	37,749	29,538
5,045,098	5,205,370	4,968,651	4,934,599	4,670,129	4,506,255	4,693,650
568,539	551,562	519,155	480,795	478,252	462,695	446,205
233,244	234,664	360,158	318,038	403,786	414,539	415,643
722,629	658,922	646,308	610,672	585,812	600,863	590,865
374,184	376,643	364,521	360,779	428,899	352,426	333,195
2,595,001	2,239,202	2,281,399	1,628,623	1,760,485	2,129,355	1,867,319
217,704	233,356	250,304	268,221	226,212	218,386	197,742
621,533	711,761	607,036	612,838	569,878	521,064	498,273
1,175,003	3,465	197,100	53,982	153,477	447,737	71,441
6,507,837	5,009,575	5,225,981	4,333,948	4,606,801	5,147,065	4,420,683

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



OFFICE OF AUDITOR OF STATE  
STATE OF IOWA

State Capitol Building  
Des Moines, Iowa 50319-0004

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

David A. Vaudt, CPA  
Auditor of State

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

To the Officials of Ida County:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Ida County, Iowa, as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements listed in the table of contents, and have issued our report thereon dated March 12, 2012. 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

Management of Ida County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Ida 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 Ida County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Ida 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control over financial reporting we consider to be material weaknesses and another deficiency we consider to be a significant deficiency.

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

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings as item (C) to be a significant deficiency.

## Compliance and Other Matters

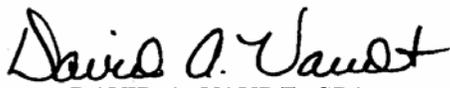
As part of obtaining reasonable assurance about whether Ida County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect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

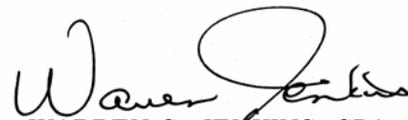
Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2011 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all 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.

Ida County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the County's responses, we did not audit Ida 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 Ida County and other parties to whom Ida County may report. 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 Ida County during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

  
DAVID A. VAUDT, CPA  
Auditor of State

  
WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

March 12, 2012

Ida County

Schedule of Findings

Year ended June 30, 2011

**Findings Related to the Financial Statements:**

**INTERNAL CONTROL DEFICIENCIES:**

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

	<u>Applicable Offices</u>
(1) A list of money and checks received is not prepared and compared to cash receipt records.	Sheriff
(2) Responsibilities for collection, deposit preparation and reconciliation functions are not segregated from those for recording and accounting for cash receipts.	Treasurer, Recorder, Sheriff and Ag Extension
(3) Investment custody and accounting functions are not segregated and evidence of a review of investments by an independent person did not exist.	Treasurer
(4) Preparing bank reconciliations and handling and recording cash functions are not segregated. Bank reconciliations are not reviewed by an independent person for propriety. The change fund is shared among employees and is not verified by surprise counts.	Recorder and Ag Extension
(5) Preparing the capital asset listing and reconciling the listing to the accounting records are not segregated. Also, the capital asset listing is not reviewed by an independent person.	Auditor

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, each official should review the control activities 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.

Responses –

Sheriff – We will continue to do everything possible to follow through on recommendations.

Recorder – We will try to segregate duties. With a two person office, it is difficult.

Ida County

Schedule of Findings

Year ended June 30, 2011

Treasurer – We try to do as you have requested and will continue to in the future.

Ag Extension – We continue to segregate duties as possible, but with only two staff members it is difficult.

Auditor – We will have the Board of Supervisors review and approve the capital asset listing when fiscally updated.

Conclusions – Responses acknowledged. The officials should utilize County personnel to provide additional control through review of financial transactions, reconciliations and reports.

- (B) Disbursements – During testing of County payables, one expenditure of \$111,000 for equipment received prior to June 30, 2011 was not properly reported in the correct fiscal year. An adjustment was subsequently made to the financial statements.

Recommendation – The County should ensure expenditures during the accrual period are coded to the proper fiscal year.

Response – The County Auditor’s Office will make sure the accrual period is being coded to the proper fiscal year.

Conclusion – Response accepted.

- (C) Electronic Data Processing System – Personnel in the County Treasurer’s Office share the same computer terminal from time to time and each person does not log-on and log-off prior to other personnel entering transactions on that terminal.

Recommendation – The County Treasurer should require personnel who share the same computer terminal to log-on and log-off prior to other personnel entering transactions on the same terminal.

Response – We do each sign in on the motor vehicle and driver’s license machines, but use the single office sign in for cash receipting and tax collections because that is how the machine is set up.

Conclusion – Response acknowledged. Personnel who share the same computer terminal should be required to log-on and log-off prior to other personnel entering transactions on the same terminal.

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

Ida County

Schedule of Findings

Year ended June 30, 2011

**Other Findings Related to Required Statutory Reporting:**

- (1) Certified Budget – Disbursements during the year ended June 30, 2011 did not exceed the amounts budgeted by function. However, disbursements for one department exceeded the amount appropriated before the Board of Supervisors acted to increase the appropriation.

Recommendation – Chapter 331.434(6) of the Code of Iowa authorizes the Board of Supervisors, by resolution, to increase or decrease appropriations of one office or department by increasing or decreasing the appropriation of another office or department as long as the function budget is not increased. Such increases or decreases should be made before disbursements are allowed to exceed the appropriation.

Response – We will increase appropriations in a department before the disbursement is allowed.

Conclusion – Response accepted.

- (2) Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- (3) Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- (4) Business Transactions – No business transactions between the County and County officials or employees were noted.
- (5) Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- (6) Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

Although minutes of Board proceedings were published, a copy of the proceedings were not always furnished to be published within the time period specified by Chapter 349.18 of the Code of Iowa.

Recommendation – The County should ensure all Board proceedings are furnished to be published as required.

Response – The Board of Supervisors meet about twice a month and at times, once a month. Board minutes are approved at the subsequent meeting. The County does not provide the minutes to be published prior to approval.

Conclusion – Response acknowledged. The County should ensure all Board proceedings are published as required.

Ida County

Schedule of Findings

Year ended June 30, 2011

- (7) Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County’s investment policy were noted.
- (8) Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- (9) Financial Assurance – Ida County has demonstrated financial assurance for closure and postclosure care by establishing local government dedicated funds as provided in Chapter 567-113.14(6) of the Iowa Administrative Code. Total estimated costs for postclosure care is \$335,205. Total estimated costs for transfer station closure care is \$2,312. The balance reserved for landfill closure and postclosure care at June 30, 2011 is \$399,730. Therefore, the closure and postclosure care costs are fully funded at June 30, 2011.
- (10) County Extension Office – The Ida 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, 2011 for the Ida County Extension Office did not exceed the amount budgeted.

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Ida County

Staff

This audit was performed by:

Suzanne R. Dahlstrom, CPA, Manager  
Keith C. Kistenmacher, Staff Auditor  
Alison P. Herold, CPA, Staff Auditor  
Tyler L. Carter, Assistant Auditor  
Robert W. Endriss, Assistant Auditor  
Daniel J. Mikels, Assistant Auditor

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

Andrew E. Nielsen, CPA  
Deputy Auditor of State