



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

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Mary Mosiman, CPA  
Auditor of State

**NEWS RELEASE**

FOR RELEASE

May 13, 2014

Contact: Andy Nielsen  
515/281-5834

Auditor of State Mary Mosiman today released an audit report on Ida County, Iowa.

The County had local tax revenue of \$11,497,110 for the year ended June 30, 2013, which included \$471,059 in tax credits from the state. The County forwarded \$8,730,122 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$2,766,988 of the local tax revenue to finance County operations, a 4.3% increase from the prior year. Other revenues included charges for service of \$365,825, operating grants, contributions and restricted interest of \$2,182,249, capital grants, contributions and restricted interest of \$458,141, local option sales tax of \$273,495, unrestricted investment earnings of \$9,518 and other general revenues of \$17,786.

Expenses for County operations for the year ended June 30, 2013 totaled \$5,207,725, a 14.0% decrease from the prior year. Expenses included \$2,843,349 for roads and transportation, \$692,549 for public safety and legal services and \$635,843 for administration. The decrease in expenses is due primarily to a decrease in roads and transportation and mental health 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/1310-0047-B00F.pdf>.

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**IDA COUNTY**  
**INDEPENDENT AUDITOR'S REPORTS**  
**BASIC FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FINDINGS**  
**JUNE 30, 2013**

Table of Contents

		<u>Page</u>
Officials		3
Independent Auditor’s Report		5-7
Management’s Discussion and Analysis		9-15
Basic Financial Statements:	<u>Exhibit</u>	
Government-wide Financial Statements:		
Statement of Net Position	A	18
Statement of Activities	B	20-21
Governmental Fund Financial Statements:		
Balance Sheet	C	22-23
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	D	25
Statement of Revenues, Expenditures and Changes in Fund Balances	E	26-27
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	F	28
Fiduciary Fund Financial Statement:		
Statement of Fiduciary Assets and Liabilities – Agency Funds	G	29
Notes to Financial Statements		30-46
Required Supplementary Information:		
Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances – Budget and Actual (Cash Basis) – All Governmental Funds		48
Budget to GAAP Reconciliation		49
Notes to Required Supplementary Information – Budgetary Reporting		50
Schedule of Funding Progress for the Retiree Health Plan		51
Supplementary Information:	<u>Schedule</u>	
Nonmajor Governmental Funds:		
Combining Balance Sheet	1	54-55
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	2	56-57
Agency Funds:		
Combining Schedule of Fiduciary Assets and Liabilities	3	58-59
Combining Schedule of Changes in Fiduciary Assets and Liabilities	4	60-61
Schedule of Revenues by Source and Expenditures by Function – All Governmental Funds	5	62-63
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		65-66
Schedule of Findings		67-71
Staff		72

**Ida County**  
**Officials**  
**(Before January 2013)**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
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	(Resigned July 2012)
Meghann Cosgrove-Whitmer (Elected Nov 2012)	County Attorney	Jan 2015
Marva Bennigsdorf	County Assessor	Jan 2016

**(After January 2013)**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Allen Hilker	Board of Supervisors	Jan 2015
Joseph L. Cronin	Board of Supervisors	Jan 2017
Robert C. Paulsrud	Board of Supervisors	Jan 2017
Lorna Steenbock	County Auditor	Jan 2017
Kay Cork	County Treasurer	Jan 2015
Julie Phillips	County Recorder	Jan 2015
Wade Harriman	County Sheriff	Jan 2017
Meghann Cosgrove-Whitmer	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:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Ida County, Iowa, as of and for the year ended June 30, 2013, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Ida County as of June 30, 2013, and the respective changes in financial position thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

## Other Matters

### *Required Supplementary Information*

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information and the Schedule of Funding Progress for the Retiree Health Plan on pages 9 through 15 and 48 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

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 third paragraph of this report, the financial statements for the nine years ended June 30, 2012 (which are not presented herein) and expressed unqualified opinions on those financial statements. The 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.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 28, 2014 on our consideration of Ida County's internal control over financial reporting and on 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 in considering Ida County's internal control over financial reporting and compliance.

  
MARY MOSIMAN, CPA  
Auditor of State

  
WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

April 28, 2014

**Ida County**

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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, 2013. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

### **2013 FINANCIAL HIGHLIGHTS**

- The County's governmental activities revenues decreased 3.5%, or approximately \$220,000, from fiscal year 2012 to fiscal year 2013. Property tax and other county tax increased approximately \$93,000, operating grants, contributions and restricted interest decreased approximately \$252,000, charges for service decreased approximately \$72,000 and local option sales tax decreased approximately \$19,000.
- The County's governmental activities expenses decreased approximately \$848,000, or 14.0%, in fiscal year 2013 from fiscal year 2012. Mental health expenses decreased approximately \$566,000 and roads and transportation expenses decreased approximately \$327,000.
- The County's net position increased 5.9%, or approximately \$866,000, from June 30, 2012 to June 30, 2013.

### **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 Position 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 financial 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.

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 Position 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 Position presents all of the County's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the County's net position 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 position changed during the most recent fiscal year. All changes in net position 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 years.

The County's governmental activities are presented in the Statement of Net Position 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 governmental fund financial statements follow the governmental fund financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of financial position. Ida County’s net position increased from \$14,693,642 to \$15,559,919 during the year. The analysis that follows focuses on the changes in the net position of governmental activities.

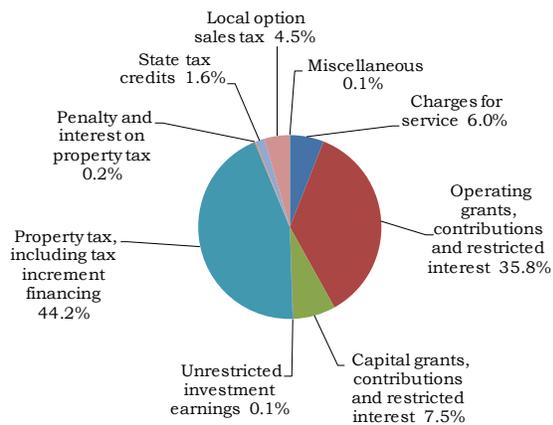
Net Position of Governmental Activities (Expressed in Thousands)		
	Year ended June 30,	
	2013	2012
Current and other assets	\$ 7,313	7,452
Capital assets	11,303	10,838
Total assets	<u>18,616</u>	<u>18,290</u>
Long-term liabilities	423	442
Other liabilities	2,633	3,155
Total liabilities	<u>3,056</u>	<u>3,597</u>
Net position:		
Invested in capital assets	11,303	10,838
Restricted	3,082	3,034
Unrestricted	1,175	822
Total net position	<u>\$ 15,560</u>	<u>14,694</u>

Net position of Ida County’s governmental activities increased 5.9% (\$14,693,642 compared to \$15,559,919). The largest portion of the County’s net position is invested in capital assets (e.g., land, infrastructure, intangibles, buildings and equipment). Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased from approximately \$822,000 at June 30, 2012 to approximately \$1,175,000 at June 30, 2013, an increase of 42.9%.

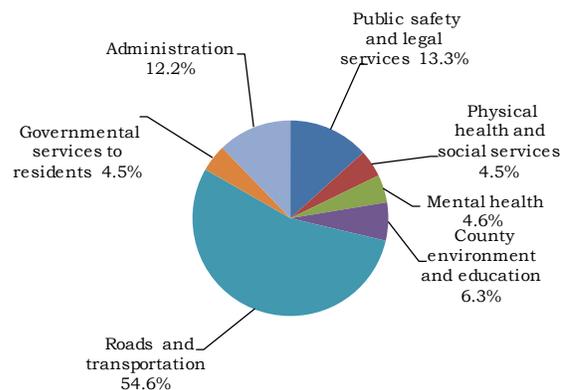
**Changes in Net Position of Governmental Activities**  
(Expressed in Thousands)

	Year ended June 30,	
	2013	2012
<b>Revenues:</b>		
<b>Program revenues:</b>		
Charges for service	\$ 366	438
Operating grants, contributions and restricted interest	2,182	2,434
Capital grants, contributions and restricted interest	458	448
<b>General revenues:</b>		
Property tax, including tax increment financing	2,670	2,577
Penalty and interest on property tax	15	16
State tax credits	97	76
Local option sales tax	274	293
Unrestricted investment earnings	9	10
Miscellaneous	3	2
<b>Total revenues</b>	<b>6,074</b>	<b>6,294</b>
<b>Program expenses:</b>		
Public safety and legal services	693	659
Physical health and social services	235	227
Mental health	239	805
County environment and education	326	297
Roads and transportation	2,843	3,170
Governmental services to residents	236	223
Administration	636	675
<b>Total expenses</b>	<b>5,208</b>	<b>6,056</b>
<b>Change in net position</b>	<b>866</b>	<b>238</b>
<b>Net position beginning of year</b>	<b>14,694</b>	<b>14,456</b>
<b>Net position end of year</b>	<b>\$ 15,560</b>	<b>14,694</b>

**Revenues by Source**



**Expenses by Program**



The County decreased property tax rates for fiscal year 2013 an average of 2.1% due, in part, to a decrease in the rural services basic levy rate to \$1.30000 per \$1,000 of taxable valuation from \$1.52000 per \$1,000 of taxable valuation. Taxable valuations increased approximately 5.4% for county wide levies. As a result, property and other county tax revenue increased approximately \$93,000 in fiscal year 2013.

### **INDIVIDUAL MAJOR FUND ANALYSIS**

As Ida County completed the year, its governmental funds reported a combined fund balance of \$4,304,351, an increase of \$421,242 from last year's total of \$3,883,109. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues increased \$147,110, or 6.3%, from the prior year. General Fund expenditures remained consistent when compared to the prior year. The ending fund balance increased \$415,987 from the prior year to \$1,381,356.
- The County has continued to look for ways to effectively manage the cost of mental health services. For the year, Special Revenue, Mental Health Fund expenditures totaled \$239,098, a decrease of 70.3% from the prior year, due primarily to the reorganization of mental health services and the change in the method the State pays for Medicaid reimbursed services. The revenues totaled \$306,481, a decrease of 45%, or \$250,261, from the previous fiscal year due to a decrease in intergovernmental revenue. The Special Revenue, Mental Health Fund balance at year end increased \$67,383 from the prior year to \$179,670.
- Special Revenue, Rural Services Fund revenues decreased \$62,801, due primarily to a decrease in property tax. Total expenditures remained consistent when compared to the prior year. The ending fund balance decreased \$55,245 from the prior year to \$699,271.
- Special Revenue, Secondary Roads Fund revenues decreased \$62,839, or 3%, from the prior year. Total expenditures increased \$200,442 from the prior year, primarily due to an increase in road maintenance projects. The Secondary Roads Fund ending balance increased \$38,208 from the prior year to \$1,605,939.
- 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 15, 2013.

### **BUDGETARY HIGHLIGHTS**

Ida County did not amend its budget during fiscal year 2013.

The County's receipts were \$623,437 less than budgeted, a variance of 10%. The most significant variance resulted from the County receiving less intergovernmental receipts than anticipated due to a decrease in mental health intergovernmental receipts.

Total disbursements were \$1,209,149 less than budgeted. Actual disbursements for the mental health, capital projects and roads and transportation functions were \$457,868, \$235,529 and \$181,712, respectively, less than budgeted. The mental health function had been budgeted similar to the prior year but, with the mental health redesign, the state no longer billed counties for patients at the state's mental health institutes which led to the large difference between budget and actual. In the capital projects function, work on the Hungry Canyons federal project was delayed until fiscal year 2014. The roads and transportation function had more budgeted for snow and ice removal than was needed due to a mild winter and some road maintenance work was delayed.

The County did not exceed the amounts budgeted by function during fiscal year 2013.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2013, Ida County had approximately \$11.3 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 \$465,000, or 4.3%, from last year.

Capital Assets of Governmental Activities at Year End (Expressed in Thousands)		
	June 30,	
	2013	2012
Land	\$ 242	242
Construction in progress	751	610
Buildings and improvements	861	910
Equipment and vehicles	1,340	1,383
Infrastructure	8,109	7,693
Total	\$ 11,303	10,838

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

Capital assets contributed by the Iowa Department of Transportation	\$ 458
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The County had depreciation expense of \$671,522 in fiscal year 2013 and total accumulated depreciation of \$6,515,633 at June 30, 2013. More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

**Long-Term Debt**

At June 30, 2013, 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 2014 budget, tax rates and fees charged for various County activities. These factors were considerations for the fiscal year 2014 budget, which certified taxes as follows: (The amounts certified include utility replacement and property tax dollars.)

Levy	2014	2013	Percentage Change
	Dollars Certified	Dollars Certified	
General basic	\$ 1,612,825	1,548,686	4.14%
General supplemental	-	404,163	-100.00%
Mental health	300,889	300,889	0.00%
Rural services basic	499,550	415,335	20.28%
Total	\$ 2,413,264	2,669,073	-9.58%

As taxable valuations have increased over the past couple of years, the County was able to roll back the general supplemental tax levy to zero for fiscal year 2014, which decreased the overall expected tax collections. No new services were added to the fiscal year 2014 budget. Levy rates (expressed in \$/\$1,000 of taxable valuation) to produce the above dollars for fiscal years 2013 and 2014 are as follows:

Levy Rate	2014	2013	Percentage Change
General basic	\$ 3.50000	3.50000	0.00%
General supplemental	-	0.91340	-100.00%
Mental health	0.65296	0.68000	-3.98%
Rural services basic	1.50000	1.30000	15.38%
Total	\$ 5.65296	6.39340	-11.58%

Budgeted disbursements in the fiscal year 2014 operating budget are approximately \$6.1 million, which is a 9.0% decrease from the fiscal year 2013 final budget of approximately \$6.7 million. Total taxable valuations increased approximately \$18.3 million. There was no general supplemental levy for fiscal year 2014. The rural services basic levy rate increased 15.38% to provide additional funding for rural road projects.

**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**

**Exhibit A**

Ida County  
Statement of Net Position  
June 30, 2013

	Primary Government	Component Unit
	Governmental Activities	Ida County Conservation Foundation
<b>Assets</b>		
Cash and pooled investments	\$ 3,435,609	141,171
Restricted cash and pooled investments	375,131	-
Receivables:		
Succeeding year property tax	2,269,000	-
Succeeding year tax increment financing	132,000	-
Accounts	383,767	-
Accrued interest	2	-
Due from other governments	275,463	-
Inventories	369,242	-
Prepaid insurance	72,390	-
Capital assets, net of accumulated depreciation	11,303,155	-
<b>Total assets</b>	<b>18,615,759</b>	<b>141,171</b>
<b>Liabilities</b>		
Accounts payable	193,732	415
Salaries and benefits payable	36,899	-
Due to other governments	1,622	-
Deferred revenue:		
Succeeding year property tax	2,269,000	-
Succeeding year tax increment financing	132,000	-
Long-term liabilities:		
Portion due or payable within one year:		
Compensated absences	47,815	-
Estimated liability for closure and postclosure care	12,965	-
Portion due or payable after one year:		
Compensated absences	19,335	-
Estimated liability for closure and postclosure care	313,472	-
Net OPEB liability	29,000	-
<b>Total liabilities</b>	<b>3,055,840</b>	<b>415</b>
<b>Net Position</b>		
Net investment in capital assets	11,303,155	-
Restricted for:		
Supplemental levy purposes	170,763	-
Mental health purposes	179,670	-
Rural services purposes	699,271	-
Secondary roads purposes	1,545,905	-
Other purposes	486,678	140,756
Unrestricted	1,174,477	-
<b>Total net position</b>	<b>\$ 15,559,919</b>	<b>140,756</b>

See notes to financial statements.

**Ida County**

Ida County  
Statement of Activities  
Year ended June 30, 2013

	Program Revenues			
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	\$ 692,549	55,152	38,035	-
Physical health and social services	234,655	13,915	134,118	-
Mental health	239,098	8,769	4,667	-
County environment and education	325,693	33,202	15,937	-
Roads and transportation	2,843,349	45,188	1,946,599	458,141
Governmental services to residents	236,538	151,709	-	-
Administration	635,843	57,890	42,893	-
Total primary government	\$ 5,207,725	365,825	2,182,249	458,141
<b>Component Unit:</b>				
Ida County Conservation Foundation	\$ 19,973	-	123,405	-
<b>General Revenues:</b>				
Property and other county tax levied for general purposes				
Tax increment financing				
Penalty and interest on property tax				
State tax credits				
Local option sales tax				
Unrestricted investment earnings				
Miscellaneous				
Total general revenues				
Change in net position				
Net position beginning of year				
Net position end of year				
See notes to financial statements.				

Net (Expense) Revenue and Changes in Net Position	
Primary Government	Component Unit
	Ida County Conservation Foundation
(599,362)	
(86,622)	
(225,662)	
(276,554)	
(393,421)	
(84,829)	
(535,060)	
<u>(2,201,510)</u>	
	<u>103,432</u>
2,536,759	-
133,390	-
15,201	-
96,839	-
273,495	-
9,518	-
2,585	-
<u>3,067,787</u>	<u>-</u>
866,277	103,432
<u>14,693,642</u>	<u>37,324</u>
<u>\$ 15,559,919</u>	<u>140,756</u>

Ida County  
Balance Sheet  
Governmental Funds

June 30, 2013

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
<b>Assets</b>				
Cash and pooled investments	\$ 1,321,804	213,144	658,615	1,184,433
Restricted cash and pooled investments	-	-	-	-
Receivables:				
Succeeding year property tax	1,517,000	283,000	469,000	-
Succeeding year tax increment financing	-	-	-	-
Accounts	3,424	-	-	733
Accrued interest	2	-	-	-
Due from other governments	77,126	-	43,978	153,940
Inventories	-	-	-	369,242
Prepaid insurance	30,252	-	984	40,812
<b>Total assets</b>	<b>\$ 2,949,608</b>	<b>496,144</b>	<b>1,172,577</b>	<b>1,749,160</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 33,012	32,895	3,699	124,126
Salaries and benefits payable	16,961	514	453	18,971
Due to other governments	1,279	65	154	124
Deferred revenue:				
Succeeding year property tax	1,517,000	283,000	469,000	-
Succeeding year tax increment financing	-	-	-	-
Other	-	-	-	-
Total liabilities	1,568,252	316,474	473,306	143,221
Fund balances:				
Nonspendable:				
Inventories	-	-	-	369,242
Prepaid insurance	30,252	-	984	40,812
Restricted for:				
Supplemental levy purposes	170,763	-	-	-
Mental health purposes	-	179,670	-	-
Rural services purposes	-	-	698,287	-
Secondary roads purposes	-	-	-	1,195,885
Landfill closure and postclosure care	-	-	-	-
Other purposes	129,863	-	-	-
Assigned for:				
Legal services	31,478	-	-	-
Public safety	595	-	-	-
Courthouse maintenance	63,000	-	-	-
Computer equipment	19,171	-	-	-
Conservation	10,358	-	-	-
Unassigned	925,876	-	-	-
Total fund balances	1,381,356	179,670	699,271	1,605,939
<b>Total liabilities and fund balances</b>	<b>\$ 2,949,608</b>	<b>496,144</b>	<b>1,172,577</b>	<b>1,749,160</b>

See notes to financial statements.

Arthur Ethanol Donation	Nonmajor	Total
-	57,613	3,435,609
-	375,131	375,131
-	-	2,269,000
-	132,000	132,000
375,000	4,610	383,767
-	-	2
-	419	275,463
-	-	369,242
-	342	72,390
375,000	570,115	7,312,604
-	-	193,732
-	-	36,899
-	-	1,622
-	-	2,269,000
-	132,000	132,000
375,000	-	375,000
375,000	132,000	3,008,253
-	-	369,242
-	342	72,390
-	-	170,763
-	-	179,670
-	-	698,287
-	-	1,195,885
-	375,131	375,131
-	62,642	192,505
-	-	31,478
-	-	595
-	-	63,000
-	-	19,171
-	-	10,358
-	-	925,876
-	438,115	4,304,351
375,000	570,115	7,312,604

**Ida County**

Ida County

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

June 30, 2013

<b>Total governmental fund balances (page 23)</b>	\$ 4,304,351
<b>Position are different because:</b>	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$17,818,788 and the accumulated depreciation is \$6,515,633.	11,303,155
Other long-term assets are not available to pay current year expenditures and, therefore, are deferred in the governmental funds.	375,000
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.	<u>(422,587)</u>
<b>Net position of governmental activities (page 18)</b>	<u>\$ 15,559,919</u>

See notes to financial statements.

Ida County

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

Year ended June 30, 2013

	Special		
	General	Mental Health	Rural Services
<b>Revenues:</b>			
Property and other county tax	\$ 1,856,421	286,034	394,304
Tax increment financing	-	-	-
Local option sales tax	-	-	273,495
Penalty and interest on property tax	15,201	-	-
Intergovernmental	292,346	20,347	22,853
Licenses and permits	13,480	-	-
Charges for service	230,579	-	803
Use of money and property	12,103	-	-
Miscellaneous	60,112	100	105
Total revenues	<u>2,480,242</u>	<u>306,481</u>	<u>691,560</u>
<b>Expenditures:</b>			
Operating:			
Public safety and legal services	675,389	-	-
Physical health and social services	235,067	-	-
Mental health	-	239,098	-
County environment and education	262,430	-	52,065
Roads and transportation	-	-	-
Governmental services to residents	234,525	-	-
Administration	607,175	-	-
Capital projects	-	-	-
Total expenditures	<u>2,014,586</u>	<u>239,098</u>	<u>52,065</u>
Excess (deficiency) of revenues over (under) expenditures	<u>465,656</u>	<u>67,383</u>	<u>639,495</u>
<b>Other financing sources (uses):</b>			
Operating transfers in	25,000	-	15,260
Operating transfers out	(74,669)	-	(710,000)
Total other financing sources (uses)	<u>(49,669)</u>	<u>-</u>	<u>(694,740)</u>
Change in fund balances	415,987	67,383	(55,245)
Fund balances beginning of year	<u>965,369</u>	<u>112,287</u>	<u>754,516</u>
Fund balances end of year	<u>\$ 1,381,356</u>	<u>179,670</u>	<u>699,271</u>

See notes to financial statements.

Revenue			
Secondary Roads	Arthur Ethanol Donation	Nonmajor	Total
-	-	-	2,536,759
-	-	133,390	133,390
-	-	-	273,495
-	-	-	15,201
1,946,899	-	16,171	2,298,616
3,130	-	-	16,610
-	-	1,585	232,967
-	-	1,293	13,396
49,451	25,000	-	134,768
1,999,480	25,000	152,439	5,655,202
-	-	-	675,389
-	-	-	235,067
-	-	-	239,098
-	-	8,803	323,298
2,800,607	-	-	2,800,607
-	-	3,330	237,855
-	-	-	607,175
115,471	-	-	115,471
2,916,078	-	12,133	5,233,960
(916,598)	25,000	140,306	421,242
954,806	-	-	995,066
-	(25,000)	(185,397)	(995,066)
954,806	(25,000)	(185,397)	-
38,208	-	(45,091)	421,242
1,567,731	-	483,206	3,883,109
1,605,939	-	438,115	4,304,351

## 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, 2013

**Change in fund balances - Total governmental funds (page 27)** \$ 421,242

***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	\$ 678,771	
Capital assets contributed by the Iowa Department of Transportation	458,141	
Depreciation expense	<u>(671,522)</u>	465,390

Governmental funds report revenue in the current year for amounts deferred in prior years because they were not considered available at that time.	(39,341)
--	----------

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	12,521	
Adjustment to estimated costs for landfill closure and postclosure care	12,965	
Other postemployment benefits	<u>(6,500)</u>	<u>18,986</u>

**Change in net position of governmental activities (page 21)** \$ 866,277

See notes to financial statements.

Ida County  
Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2013

**Assets**

Cash and pooled investments:	
County Treasurer	\$ 687,907
Other County officials	44,617
Receivables:	
Succeeding year property tax	8,300,000
Accounts	9,237
Accrued interest	249
Due from other governments	28,602
<b>Total assets</b>	<b>9,070,612</b>

**Liabilities**

Accounts payable	35,989
Salaries and benefits payable	19,911
Due to other governments	8,930,964
Trusts payable	18,497
Compensated absences	65,251
<b>Total liabilities</b>	<b>9,070,612</b>

**Net position**

\$ -

See notes to financial statements.

Ida County

Notes to Financial Statements

June 30, 2013

**(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.

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

Discretely Presented Component Unit – The Ida County Conservation Foundation (Foundation) has been incorporated under the provisions of the Iowa Nonprofit Corporation Act to operate exclusively for charitable, educational and scientific purposes dedicated to protecting and enhancing the natural resources for the residents of Ida County. In accordance with criteria set forth by the Governmental Accounting Standards Board, the Foundation meets the definition of a component unit which should be discretely presented. Based on these criteria, the economic resources received or held by the Foundation are substantially for the direct benefit of the Ida County Conservation Board.

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 the 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 comprised 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% 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, 2013 included five municipalities and the County. Ida County contributed \$458,185 and the municipalities contributed \$607,162 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 Position (previously referred to as net assets) and the Statement of Activities report information on all of the nonfiduciary activities of the County and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenues and other nonexchange transactions.

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

*Net investment in capital assets* consists of capital assets, net of accumulated depreciation.

*Restricted net position* results when constraints placed on the use of net position are either externally imposed or are imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net position* consists of net position not meeting the definition of the preceding categories. Unrestricted net position often has 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, intellectual disabilities 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 Fund and the Special Revenue, Rural Services Fund 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 position 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 and Pooled Investments – 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.

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, 2011 assessed property valuations; is for the tax accrual period July 1, 2012 through June 30, 2013 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2012.

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 Position. 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 development agreement receivable as well as property tax receivable and other receivables not collected within sixty days after year end.

Deferred revenue in the Statement of Net Position consists of succeeding year property tax receivable which 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, 2013. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, 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 Position.

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, Cash Equivalents and Pooled Investments**

The County's deposits in banks at June 30, 2013 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.

**(3) Interfund Transfers**

The detail of interfund transfers for the year ended June 30, 2013 is as follows:

Transfer to	Transfer from	Amount
General	Special Revenue: Arthur Ethanol Donation	\$ 25,000
Special Revenue: Rural Services	Special Revenue: Landfill Closure /Postclosure	15,260
Secondary Roads	General	74,669
	Special Revenue: Rural Services	710,000
	Ida County Urban Renewal 1	168,996
	Ida County Urban Renewal 2	1,141
Total		\$ 995,066

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, 2013 was as follow:

	Balance			Balance
	Beginning		End	
	of Year	Increases	Decreases	of Year
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 241,692	-	-	241,692
Construction in progress	610,514	909,472	(768,784)	751,202
Total capital assets not being depreciated	852,206	909,472	(768,784)	992,894
Capital assets being depreciated:				
Buildings	1,987,250	-	-	1,987,250
Equipment and vehicles	4,569,422	227,440	(45,310)	4,751,552
Infrastructure, road network	9,318,308	768,784	-	10,087,092
Total capital assets being depreciated	15,874,980	996,224	(45,310)	16,825,894
Less accumulated depreciation for:				
Buildings	1,077,667	48,978	-	1,126,645
Equipment and vehicles	3,186,730	269,504	(45,310)	3,410,924
Infrastructure, road network	1,625,024	353,040	-	1,978,064
Total accumulated depreciation	5,889,421	671,522	(45,310)	6,515,633
Total capital assets being depreciated, net	9,985,559	324,702	-	10,310,261
Governmental activities capital assets, net	\$10,837,765	1,234,174	(768,784)	11,303,155

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 12,512
County environment and education	15,125
Roads and transportation	616,294
Administration	27,591
Total depreciation expense - governmental activities	<u>\$671,522</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 at June 30, 2013 is as follows:

Fund	Description	Amount
General	Services	\$ 1,279
Special Revenue:		
Mental Health	Services	65
Rural Services	Services	154
Secondary Roads	Services	124
		<u>343</u>
Total for governmental funds		<u>\$ 1,622</u>
Agency:		
County Offices	Collections	\$ 26,206
Agricultural Extension Education		118,710
County Assessor		201,542
Schools		5,595,396
Community Colleges		339,470
Corporations		1,962,385
Townships		223,208
Auto License and Use Tax		194,894
All other		269,153
Total for agency funds		<u>\$ 8,930,964</u>

**(6) Long-Term Liabilities**

A summary of changes in long-term liabilities for the year ended June 30, 2013 is as follows:

	Compen- sated Absences	Estimated Liability for Closure and Postclosure Care	Net OPEB Liability	Total
Balance beginning of year	\$ 79,671	339,402	22,500	441,573
Increases	57,357	-	17,600	74,957
Decreases	69,878	12,965	11,100	93,943
Balance end of year	<u>\$ 67,150</u>	<u>326,437</u>	<u>29,000</u>	<u>422,587</u>
Due within one year	<u>\$ 47,815</u>	<u>12,965</u>	<u>-</u>	<u>60,780</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 5.78% of their annual covered salary and the County is required to contribute 8.67% 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, 2013, 2012 and 2011 were \$182,481, 163,909 and \$143,056, 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, retirees and their spouses. There are 49 active and 2 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 benefits 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 which, 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, 2013, the amount actually contributed to the plan and changes in the County's net OPEB obligation:

Annual required contribution	\$ 17,600
Interest on net OPEB obligation	900
Adjustment to annual required contribution	(900)
Annual OPEB cost	<u>17,600</u>
Contributions made	<u>(11,100)</u>
Increase in net OPEB obligation	6,500
Net OPEB obligation beginning of year	<u>22,500</u>
Net OPEB obligation end of year	<u><u>\$ 29,000</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, 2013.

For the year ended June 30, 2013, the County contributed \$11,100 to the health plan. Plan members eligible for benefits contributed \$17,361, or 61% 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 are summarized as follows:

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 12,900	43.9%	\$ 16,800
2012	13,000	56.2	22,500
2013	17,600	63.1	29,000

Funded Status and Funding Progress – As of July 1, 2012, the most recent actuarial valuation date for the period July 1, 2012 through June 30, 2013, the actuarial accrued liability was \$157,698, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$157,698. The covered payroll (annual payroll of active employees covered by the plan) was \$1,808,493 and the ratio of the UAAL to covered payroll was 8.7%. As of June 30, 2013, 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, 2012 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. An inflation rate of 3% is assumed for the purpose of this computation.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2010 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2010.

Projected claim costs of the medical plan are \$883 per month for retirees and \$792 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 679 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 at a level determined by the Board not to exceed 300% of 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, 2013 were \$144,763.

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 \$15,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location, with excess coverage reinsured by Lexington 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, 2013, no liability has been recorded in the County's financial statements. As of June 30, 2013, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$1,000,000 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 \$324,125 and a provision for this liability has been made in the County's Statement of Net Position as of June 30, 2013. This amount is based on what it would cost to perform all postclosure care during the year ended June 30, 2013. 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, 2013, 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 Position as of June 30, 2013.

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, 2013, assets of \$375,131 are restricted for these purposes. They are reported as restricted investments in the Balance Sheet for the Special Revenue, Landfill Closure/Postclosure and Transfer Station Closure Funds and in the Statement of Net Position.

**(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, 2013:

	Operating	Confiscated Property	Sheriff's K-9	Sheriff's Commissary	Sherrifs Reserve Deputy	Sheriff's DARE	Total
<b>Additions:</b>							
Contributions from governmental units:							
Ida County	\$ 458,185	-	-	-	-	-	458,185
Ida Grove	290,894	-	-	-	-	-	290,894
Holstein	173,484	-	-	-	-	-	173,484
Arthur	27,705	-	-	-	-	-	27,705
Galva	35,163	-	-	-	-	-	35,163
Battle Creek	79,916	-	-	-	-	-	79,916
	<u>1,065,347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,065,347</u>
Prisoner fees:							
Boarding fees	9,936	-	-	-	-	-	9,936
Work release fees	1,750	-	-	-	-	-	1,750
Commissary fees	-	-	-	172	-	-	172
	<u>11,686</u>	<u>-</u>	<u>-</u>	<u>172</u>	<u>-</u>	<u>-</u>	<u>11,858</u>
Miscellaneous:							
Refunds	3,882	-	-	-	-	-	3,882
Donations	-	-	1,025	-	-	-	1,025
Miscellaneous	17,470	1,025	-	-	-	-	18,495
	<u>21,352</u>	<u>1,025</u>	<u>1,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,402</u>
Total additions	<u>1,098,385</u>	<u>1,025</u>	<u>1,025</u>	<u>172</u>	<u>-</u>	<u>-</u>	<u>1,100,607</u>
<b>Deductions:</b>							
Salaries and wages	641,237	-	-	-	-	-	641,237
Benefits	237,981	-	-	-	-	-	237,981
Iowa system rental	8,830	-	-	-	-	-	8,830
Postage and mailing	1,412	-	-	-	-	-	1,412
Office supplies	6,103	-	-	-	-	-	6,103
Mileage and subsistence	1,724	-	-	-	-	-	1,724
Education and training	8,466	-	-	-	-	-	8,466
Uniform allowance	4,024	-	-	-	-	-	4,024
Insurance	25,448	-	-	-	-	-	25,448
Equipment, supplies and maintenance	54,812	-	-	-	2	-	54,814
Motor vehicle	775	-	-	-	-	-	775
Motor vehicle supplies	63,665	-	-	-	-	-	63,665
Telephone and fax	14,971	-	-	-	-	-	14,971
Radio equipment repair and maintenance	550	-	-	-	-	-	550
Investigations	27,549	1,907	-	-	-	-	29,456
Jail food and provisions	15,829	-	-	55	-	-	15,884
Jail supplies	2,230	-	-	-	-	-	2,230
Medical supplies	6,117	-	-	-	-	-	6,117
Improvements	870	-	-	-	-	-	870
Miscellaneous	2,871	-	-	3,000	-	-	5,871
Total deductions	<u>1,125,464</u>	<u>1,907</u>	<u>-</u>	<u>3,055</u>	<u>2</u>	<u>-</u>	<u>1,130,428</u>
Change in balance	(27,079)	(882)	1,025	(2,883)	(2)	-	(29,821)
Balance beginning of year	112,948	1,662	32	2,954	188	16	117,800
Balance end of year	<u>\$ 85,869</u>	<u>780</u>	<u>1,057</u>	<u>71</u>	<u>186</u>	<u>16</u>	<u>87,979</u>

**(12) Public Health Services Agreement**

In February 2006, an agreement was entered into between Horn Memorial Hospital, the County and the Ida County Board of Health for the purpose of consolidating services offered by the Hospital and the Board of Health. In the agreement, the Hospital agreed to provide public health nursing services and home care services for and on behalf of the Board of Health to the residents of the 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 home health, public health and homemakers services provided 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 the 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. During fiscal year 2013, the County paid \$98,456 pursuant to this agreement.

The Hospital is to perform all duties delegated to it by the Board of Health in good faith, 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 property 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, 2013, 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 authority of Chapter 403 of the Code of Iowa with Platinum Ethanol, LLC for 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 property 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, 2013, the County has incurred costs of \$401,491 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, 2013, the County has received cumulative contributions totaling \$100,000.

**(14) Construction Commitments**

The County has two construction commitments as of June 30, 2013 totaling \$194,044. Commitments include \$142,745 to Ten Point Construction for PCC patching and \$51,299 to L.A. Carlson for stream channel stabilization structure.

**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, 2013

	Actual	Budgeted Amounts Original/Final	Final to Actual Variance
<b>Receipts:</b>			
Property and other county tax	\$ 2,945,519	3,035,355	(89,836)
Interest and penalty on property tax	15,201	4,000	11,201
Intergovernmental	2,223,401	2,713,533	(490,132)
Licenses and permits	15,822	19,338	(3,516)
Charges for service	236,781	205,950	30,831
Use of money and property	14,153	2,910	11,243
Miscellaneous	134,972	228,200	(93,228)
Total receipts	<u>5,585,849</u>	<u>6,209,286</u>	<u>(623,437)</u>
<b>Disbursements:</b>			
Public safety and legal services	679,720	757,006	77,286
Physical health and social services	221,929	321,260	99,331
Mental health	384,034	841,902	457,868
County environment and education	334,871	374,936	40,065
Roads and transportation	2,903,628	3,085,340	181,712
Governmental services to residents	241,579	252,370	10,791
Administration	605,137	711,704	106,567
Capital projects	115,471	351,000	235,529
Total disbursements	<u>5,486,369</u>	<u>6,695,518</u>	<u>1,209,149</u>
Excess (deficiency) of receipts over (under) disbursements	99,480	(486,232)	585,712
Balance beginning of year	<u>3,711,260</u>	<u>2,929,367</u>	<u>781,893</u>
Balance end of year	<u>\$ 3,810,740</u>	<u>2,443,135</u>	<u>1,367,605</u>

See accompanying independent auditor's report.

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Ida County

Budgetary Comparison Schedule - Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2013

	Governmental Funds		
	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis
Revenues	\$ 5,585,849	69,353	5,655,202
Expenditures	5,486,369	(252,409)	5,233,960
Net	99,480	321,762	421,242
Beginning fund balances	3,711,260	171,849	3,883,109
Ending fund balances	<u>\$ 3,810,740</u>	<u>493,611</u>	<u>4,304,351</u>

See accompanying independent auditor's report.

Ida County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2013

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, 2013, disbursements did not exceed the amounts budgeted by function.

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Ida County

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

Required Supplementary Information

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Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial 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	6.40%
2011	Jul 1, 2009	-	114	114	0.00	1,717	6.60%
2012	Jul 1, 2009	-	114	114	0.00	1,707	6.70
2013	Jul 1, 2012	-	158	158	0.00	1,808	8.70

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.

See accompanying independent auditor's report.

**Ida County**

**Supplementary Information**

Ida County  
Combining Balance Sheet  
Nonmajor Governmental Funds

June 30, 2013

	County Recorder's Records Management	Resource Enhancement and Protection	Confiscated Funds - County Attorney
<b>Assets</b>			
Cash and pooled investments	\$ 9,586	35,150	8,311
Restricted cash and pooled investments	-	-	-
Receivables:			
Succeeding year tax increment financing	-	-	-
Accounts	-	4,610	-
Due from other governments	104	-	315
Prepaid insurance	-	342	-
<b>Total assets</b>	<b>\$ 9,690</b>	<b>40,102</b>	<b>8,626</b>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Deferred revenue:			
Succeeding year tax increment financing	\$ -	-	-
Fund balances:			
Nonspendable for prepaid insurance	-	342	-
Restricted for:			
Landfill closure and postclosure care	-	-	-
Other purposes	9,690	39,760	8,626
Total fund balances	9,690	40,102	8,626
<b>Total liabilities and fund balances</b>	<b>\$ 9,690</b>	<b>40,102</b>	<b>8,626</b>

See accompanying independent auditor's report.

Special Revenue						
Landfill Closure / Postclosure	Transfer Station Closure	Ida County Urban Renewal 1	Ida County Urban Renewal 2	Public Health Services Enhancement		Total
-	-	-	-	4,566		57,613
372,819	2,312	-	-	-		375,131
-	-	131,000	1,000	-		132,000
-	-	-	-	-		4,610
-	-	-	-	-		419
-	-	-	-	-		342
372,819	2,312	131,000	1,000	4,566		570,115
<hr/>						
-	-	131,000	1,000	-		132,000
<hr/>						
-	-	-	-	-		342
372,819	2,312	-	-	-		375,131
-	-	-	-	4,566		62,642
372,819	2,312	-	-	4,566		438,115
<hr/>						
372,819	2,312	131,000	1,000	4,566		570,115
<hr/>						

Ida County

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

Year ended June 30, 2013

	County Recorder's Records Management	Resource Enhancement and Protection	Confiscated Funds - County Attorney
<b>Revenues:</b>			
Tax increment financing	\$ -	-	-
Intergovernmental	-	14,051	2,120
Charges for service	1,585	-	-
Use of money and property	-	-	-
Total revenues	1,585	14,051	2,120
<b>Expenditures:</b>			
Operating:			
County environment and education	-	8,803	-
Governmental services to residents	3,330	-	-
Total expenditures	3,330	8,803	-
Excess (deficiency) of revenues over (under) expenditures	(1,745)	5,248	2,120
<b>Other financing uses:</b>			
Operating transfers out	-	-	-
Change in fund balances	(1,745)	5,248	2,120
Fund balances beginning of year	11,435	34,854	6,506
Fund balances end of year	\$ 9,690	40,102	8,626

See accompanying independent auditor's report.

Special Revenue					
Landfill Closure / Postclosure	Transfer Station Closure	Ida County Urban Renewal 1	Ida County Urban Renewal 2	Public Health Services Enhancement	Total
-	-	132,249	1,141	-	133,390
-	-	-	-	-	16,171
-	-	-	-	-	1,585
1,293	-	-	-	-	1,293
1,293	-	132,249	1,141	-	152,439
-	-	-	-	-	8,803
-	-	-	-	-	3,330
-	-	-	-	-	12,133
1,293	-	132,249	1,141	-	140,306
(15,260)	-	(168,996)	(1,141)	-	(185,397)
(13,967)	-	(36,747)	-	-	(45,091)
386,786	2,312	36,747	-	4,566	483,206
372,819	2,312	-	-	4,566	438,115

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

June 30, 2013

	County Offices	Agricultural Extension Education	County Assessor	Schools
<b>Assets</b>				
Cash and pooled investments:				
County Treasurer	\$ -	1,710	55,317	72,396
Other County officials	44,617	-	-	-
Receivables:				
Succeeding year property tax	-	117,000	154,000	5,523,000
Accounts	86	-	28	-
Accrued interest	-	-	-	-
Due from other governments	-	-	-	-
<b>Total assets</b>	<b>\$ 44,703</b>	<b>118,710</b>	<b>209,345</b>	<b>5,595,396</b>
<b>Liabilities</b>				
Accounts payable	\$ -	-	93	-
Salaries and benefits payable	-	-	2,109	-
Due to other governments	26,206	118,710	201,542	5,595,396
Trusts payable	18,497	-	-	-
Compensated absences	-	-	5,601	-
<b>Total liabilities</b>	<b>\$ 44,703</b>	<b>118,710</b>	<b>209,345</b>	<b>5,595,396</b>

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Other	Total
4,470	12,385	3,208	194,894	343,527	687,907
-	-	-	-	-	44,617
335,000	1,950,000	220,000	-	1,000	8,300,000
-	-	-	-	9,123	9,237
-	-	-	-	249	249
-	-	-	-	28,602	28,602
<b>339,470</b>	<b>1,962,385</b>	<b>223,208</b>	<b>194,894</b>	<b>382,501</b>	<b>9,070,612</b>
-	-	-	-	35,896	35,989
-	-	-	-	17,802	19,911
339,470	1,962,385	223,208	194,894	269,153	8,930,964
-	-	-	-	-	18,497
-	-	-	-	59,650	65,251
<b>339,470</b>	<b>1,962,385</b>	<b>223,208</b>	<b>194,894</b>	<b>382,501</b>	<b>9,070,612</b>

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

Year ended June 30, 2013

<b>Assets and Liabilities</b>	County Offices	Agricultural Extension Education	County Assessor	Schools
Balances beginning of year	\$ 38,512	127,549	199,934	5,390,185
Additions:				
Property and other county tax	-	116,959	160,345	5,591,542
E911 surcharge	-	-	-	-
State tax credits	-	6,907	8,268	242,970
Drivers license fees	-	-	-	-
Office fees and collections	235,368	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Trusts	88,946	-	-	-
Assessments	-	-	-	-
Miscellaneous	-	-	12,963	-
Total additions	324,314	123,866	181,576	5,834,512
Deductions:				
Agency remittances:				
To other funds	112,811	-	-	-
To other governments	115,550	132,705	172,165	5,629,301
Trusts paid out	89,762	-	-	-
Total deductions	318,123	132,705	172,165	5,629,301
Balances end of year	\$ 44,703	118,710	209,345	5,595,396

See accompanying independent auditor's report.

Community Colleges	Corpora- tions	Townships	Auto License and Use Tax	Other	Total
333,082	1,834,109	219,862	204,053	380,896	8,728,182
335,828	1,929,799	220,041	-	1,388	8,355,902
-	-	-	-	97,247	97,247
18,035	86,551	11,413	-	76	374,220
-	-	-	16,114	-	16,114
-	-	-	-	27,774	263,142
-	-	-	2,675,758	-	2,675,758
-	-	-	-	24,398	113,344
-	-	-	-	2,529	2,529
-	-	-	-	1,163,827	1,176,790
353,863	2,016,350	231,454	2,691,872	1,317,239	13,075,046
-	-	-	97,167	-	209,978
347,475	1,888,074	228,108	2,603,864	1,290,386	12,407,628
-	-	-	-	25,248	115,010
347,475	1,888,074	228,108	2,701,031	1,315,634	12,732,616
339,470	1,962,385	223,208	194,894	382,501	9,070,612

Ida County

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

For the Last Ten Years

	2013	2012	2011	2010
<b>Revenues:</b>				
Property and other county tax	\$ 2,536,759	2,452,762	2,598,602	2,585,205
Tax increment financing	133,390	123,736	131,673	104,264
Local option sales tax	273,495	292,918	276,709	111,477
Interest and penalty on property tax	15,201	16,391	17,587	18,177
Intergovernmental	2,298,616	2,528,670	2,511,521	2,488,046
Licenses and permits	16,610	14,678	15,439	16,969
Charges for service	232,967	266,671	214,234	206,147
Use of money and property	13,396	13,036	12,845	19,763
Miscellaneous	134,768	166,353	268,084	161,042
<b>Total</b>	<b>\$ 5,655,202</b>	<b>5,875,215</b>	<b>6,046,694</b>	<b>5,711,090</b>
<b>Expenditures:</b>				
<b>Operating:</b>				
Public safety and legal services	\$ 675,389	644,365	622,251	618,674
Physical health and social services	235,067	226,956	259,742	292,453
Mental health	239,098	805,189	692,743	585,229
County environment and education	323,298	279,603	286,912	269,543
Roads and transportation	2,800,607	2,600,475	2,374,426	2,644,571
Governmental services to residents	237,855	221,132	227,452	242,777
Administration	607,175	645,931	571,705	562,824
Capital projects	115,471	115,161	272,514	552,796
<b>Total</b>	<b>\$ 5,233,960</b>	<b>5,538,812</b>	<b>5,307,745</b>	<b>5,768,867</b>

See accompanying independent auditor's report.

Modified Accrual Basis					
2009	2008	2007	2006	2005	2004
1,982,400	1,938,425	1,819,514	1,805,477	1,794,080	1,781,461
32,211	-	-	-	-	-
-	-	-	-	-	-
14,344	15,209	14,322	16,904	16,512	15,886
2,814,275	2,499,595	2,490,839	2,498,943	2,556,140	2,401,989
14,894	14,464	12,909	13,883	9,907	8,545
203,993	296,179	387,574	424,370	436,497	413,286
54,773	178,595	235,173	190,666	85,074	46,471
92,533	102,631	245,039	18,408	36,389	2,491
5,209,423	5,045,098	5,205,370	4,968,651	4,934,599	4,670,129
582,787	568,539	551,562	519,155	480,795	478,252
254,743	233,244	234,664	360,158	318,038	403,786
617,916	722,629	658,922	646,308	610,672	585,812
616,675	374,184	376,643	364,521	360,779	428,899
2,242,896	2,595,001	2,239,202	2,281,399	1,628,623	1,760,485
250,908	217,704	233,356	250,304	268,221	226,212
646,839	621,533	711,761	607,036	612,838	569,878
280,420	1,175,003	3,465	197,100	53,982	153,477
5,493,184	6,507,837	5,009,575	5,225,981	4,333,948	4,606,801

**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  
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Mary Mosiman, 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 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, the financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Ida County, Iowa, as of and for the year ended June 30, 2013, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 28, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ida County's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ida County's internal control. Accordingly, we do not express an opinion on the effectiveness of Ida County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control we consider to be material weaknesses and significant deficiencies.

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 deficiencies described in the accompanying Schedule of Findings as item (C) and (D) to be significant deficiencies.

### 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, 2013 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

Ida County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. Ida County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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.

  
MARY MOSIMAN, CPA  
Auditor of State

  
WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

April 28, 2014

Ida County  
 Schedule of Findings  
 Year ended June 30, 2013

**Findings Related to the Financial Statements:**

**INTERNAL CONTROL DEFICIENCIES:**

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

	Applicable Offices
(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.	Recorder and Ag Extension
(5) The change fund is shared among employees and is not verified by surprise counts.	Treasurer, Recorder, and Ag Extension

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, including elected officials, to provide additional control through review of financial transactions, reconciliations and reports.

Responses –

Sheriff – We will do everything possible to ensure proper segregation of duties is put into place with current staffing levels.

Recorder – We will try to segregate duties as we can with a small staff.

Treasurer – We try to do the best we can with the staff and time we have.

Ida County

Schedule of Findings

Year ended June 30, 2013

Ag Extension – With limited staff, we make every effort to segregate duties. The Extension Council has dual signature checks and signs the check stubs and vouchers.

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

- (B) Financial Reporting – During the audit, we identified a material understatement of receivables recorded in the County's financial statements. An adjustment was subsequently made to the financial statements to properly report receivables.

Recommendation – The County should implement procedures to ensure all receivables are properly accounted for in the County's financial statements to properly report these receivables.

Response – We will try to watch accrual dates closely and have the other departments verify before depositing.

Conclusion – Response accepted.

- (C) Computer 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 – Only one person has access to the Driver's License system. Each employee uses their own sign-in on the Motor Vehicle system. We do share a sign-in on the Tax/Miscellaneous receipting machine as that is the way the system is set up unless we have two machine batches open during heavy tax collection times.

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.

- (D) County Sheriff – The Sheriff's Office does not prepare a year-to-date spreadsheet of receipts and disbursements reconciled to the beginning and ending book balances.

Recommendation – The Sheriff's Office should prepare a year-to-date spreadsheet of receipts and disbursements which should reconcile to the beginning and ending book balances.

Response – We will comply with the recommendation of the State Auditor's Office.

Conclusion – Response accepted.

Ida County

Schedule of Findings

Year ended June 30, 2013

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

Ida County

Schedule of Findings

Year ended June 30, 2013

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

- (1) Certified Budget – Disbursements during the year ended June 30, 2013 did not exceed the amounts budgeted by function.
- (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.
- (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 – The 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 \$324,125 and total estimated costs for transfer station closure care is \$2,312. The balance restricted for landfill closure and postclosure care at June 30, 2013 is \$375,131. Therefore, the closure and postclosure care costs are fully funded at June 30, 2013.
- (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, 2013 for the Ida County Extension Office did not exceed the amount budgeted.

Ida County

Schedule of Findings

Year ended June 30, 2013

- (11) Public Safety and Communications Commission Meetings – Chapter 21.4 of the Code of Iowa provides a governmental body shall give notice of the time, date and place of each meeting and the tentative agenda of the meeting. Notice shall include posting the notice on a bulletin board or other prominent place which is easily accessible to the public and clearly designated for that purpose. Notice conforming with all the requirements shall be given at least twenty-four hours prior to the commencement of any meeting.

Public notice of the Public Safety and Communications Commission meetings is not posted at least 24 hours in advance of the meeting.

Recommendation – The Public Safety and Communications Commission should post the time, date, location and agenda for each meeting at a designated place at least 24 hours prior to each meeting.

Response – We will comply with the recommendation of the State Auditor’s Office.

Conclusion – Response accepted.

- (12) Annual Urban Renewal Report – The annual urban renewal report was properly approved and certified to the Iowa Department of Management on or before December 1. However, the County overstated the amount reported as TIF debt outstanding on the Levy Authority Summary by \$9,000,000.

Recommendation – The County should ensure the correct amount of TIF debt outstanding is reported.

Response – This will be corrected on next year’s report.

Conclusion – Response accepted.

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Ida County

Staff

This audit was performed by:

Brian R. Brustkern, CPA, Manager  
Keith C. Kistenmacher, Senior Auditor II  
Russell G. Jordan, CPA, Staff Auditor  
Elissa R. Olson, Staff Auditor  
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Deputy Auditor of State