



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE

March 21, 2011

Contact: Andy Nielsen
515/281-5834

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

The County had local tax revenue of \$10,633,566 for the year ended June 30, 2010, which included \$422,551 in tax credits from the state. The County forwarded \$7,861,738 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$2,771,828 of the local tax revenue to finance County operations, a 32.4 percent increase over the prior year. Other revenues included charges for service of \$368,167, operating grants, contributions and restricted interest of \$2,402,011, capital grants, contributions and restricted interest of \$869,723, local option sales tax of \$111,477, unrestricted investment earnings of \$14,430 and other general revenues of \$18,177.

Expenses for County operations totaled \$5,692,646, a one percent increase from the prior year. Expenses included \$3,101,529 for roads and transportation, \$621,999 for public safety and legal services and \$585,229 for mental health.

A copy of the audit report is available for review in the County Auditor's Office, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1010-0047-B00F.pdf>.

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IDA COUNTY
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS
JUNE 30, 2010

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Ida County

Officials

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

Ida County



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Independent Auditor's Report

To the Officials of Ida County:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Ida County, Iowa, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements listed in the table of contents. These financial statements are the responsibility of Ida County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Ida County at June 30, 2010, and the respective changes in financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated March 10, 2011 on our consideration of Ida County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis, Budgetary Comparison Information and the Schedule of Funding Progress for the Retiree Health Plan on pages 7 through 13 and 42 through 45 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Ida County's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the nine years ended June 30, 2009 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

March 10, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2010. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2010 FINANCIAL HIGHLIGHTS

- The County's governmental activities revenues increased 21%, or approximately \$1,113,000, from fiscal year 2009 to fiscal year 2010. Capital grants, contributions and restricted interest increased approximately \$870,000 over fiscal 2009 due to a farm-to-market project being contributed to the County by the Iowa Department of Transportation. Tax receipts increased approximately \$791,000 over fiscal year 2009 due to the general supplemental levy and local option sales tax.
- The County's governmental activities expenses increased approximately \$72,000, or 1%, in fiscal year 2010 from fiscal year 2009.
- The County's net assets increased 7.8%, or approximately \$863,000 from June 30, 2009 to June 30, 2010.

USING THIS ANNUAL REPORT

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

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

The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of Ida County as a whole and present an overall view of the County's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Ida County's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Ida County acts solely as an agent or custodian for the benefit of those outside of County government (Agency Funds).

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

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

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

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

The County has two kinds of funds:

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

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

2) Fiduciary funds are used to report assets held in a trust or agency capacity for others which cannot be used to support the County's own programs. These fiduciary funds include Agency Funds that account for E911 surcharge, emergency management services and the County Assessor, to name a few.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of financial position. Ida County's net assets increased from \$11,085,992 to \$11,949,159. The analysis that follows focuses on the changes in the net assets of governmental activities.

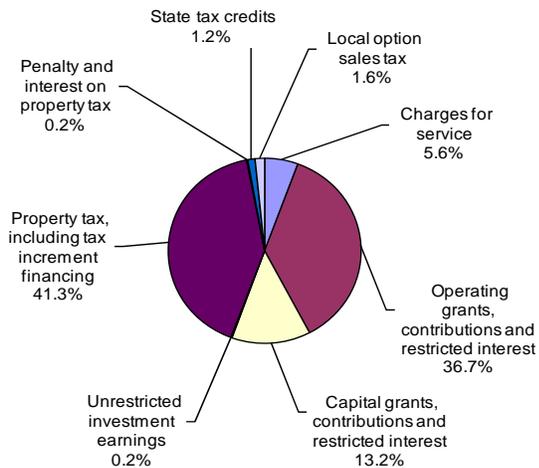
Net Assets of Governmental Activities (Expressed in Thousands)		
	Year ended June 30,	
	2010	2009
Current and other assets	\$ 6,338	6,184
Capital assets	9,306	8,365
Total assets	<u>15,644</u>	<u>14,549</u>
Long-term liabilities	459	462
Other liabilities	3,236	3,001
Total liabilities	<u>3,695</u>	<u>3,463</u>
Net assets:		
Invested in capital assets	9,306	8,365
Restricted	1,489	1,347
Unrestricted	1,154	1,374
Total net assets	<u>\$ 11,949</u>	<u>11,086</u>

Net assets of Ida County's governmental activities increased 7.8% (\$11,949,159 compared to \$11,085,992). The largest portion of the County's net assets is invested in capital assets (e.g., land, infrastructure, intangibles, buildings and equipment). Restricted net assets represent resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements—decreased from approximately \$1.4 million at June 30, 2009 to approximately \$1.2 million at June 30, 2010, a decrease of 16%.

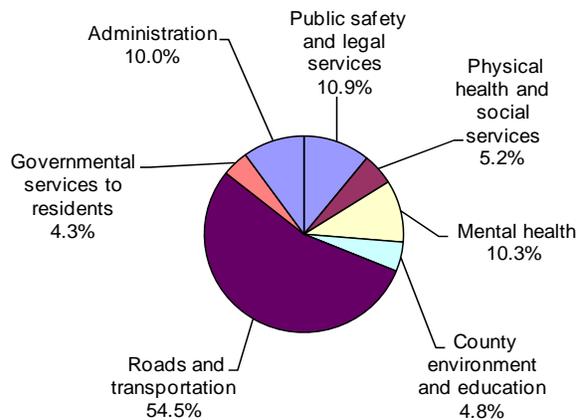
Changes in Net Assets of Governmental Activities
(Expressed in Thousands)

	Year ended June 30,	
	2010	2009
Revenues:		
Program revenues:		
Charges for service	\$ 368	334
Operating grants, contributions and restricted interest	2,402	2,722
Capital grants, contributions and restricted interest	870	-
General revenues:		
Property tax, including tax increment financing	2,695	2,015
Penalty and interest on property tax	18	14
State tax credits	77	78
Local option sales tax	111	-
Unrestricted investment earnings	14	51
Gain on disposition of capital assets	-	178
Other general revenues	-	30
Total revenues	6,555	5,422
Program expenses:		
Public safety and legal services	622	583
Physical health and social services	292	255
Mental health	585	618
County environment and education	277	491
Roads and transportation	3,102	2,793
Governmental services to residents	243	252
Administration	571	628
Total expenses	5,692	5,620
Increase (decrease) in net assets	863	(198)
Net assets beginning of year	11,086	11,284
Net assets end of year	\$ 11,949	11,086

Revenues by Source



Expenses by Program



The County increased property tax rates for fiscal year 2010 an average of 20.4% due, in part, to an increase in the general basic levy rate to \$3.50000 per \$1,000 of taxable valuation from \$3.25000 per \$1,000 of taxable valuation and a general supplemental levy of \$1.22000 per \$1,000 of taxable valuation which was not levied for fiscal year 2009. Taxable valuations increased approximately 29.74% for county wide levies. As a result, property and other county tax revenue increased approximately \$680,000 in fiscal year 2010.

INDIVIDUAL MAJOR FUND ANALYSIS

As Ida County completed the year, its governmental funds reported a combined fund balance of \$2,651,657, a decrease of \$56,027 from last year's total of \$2,707,684. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues increased \$624,052, due primarily to an increase in the general basic and general supplemental tax levies. General Fund expenditures increased approximately \$369,000 over the prior year, due principally to costs associated with the jail renovation project. The ending fund balance decreased \$107,615 from the prior year to \$324,266.
- The County has continued to look for ways to effectively manage the cost of mental health services. For the year, expenditures totaled \$585,229, a decrease of 5.3% from the prior year. The revenues totaled \$695,965, a decrease of 20.6%, or \$180,863, from the previous year due to the reduction of state tax relief dollars. The Mental Health Fund balance at year end increased \$110,736 from the prior year to \$451,201.
- Rural Services Fund revenues increased \$91,810, due primarily to an increase in local option sales tax. Expenditures decreased \$346,088 due to the closure of the landfill. The ending fund balance increased \$28,627 from the prior year to \$517,907.
- Secondary Roads Fund revenues decreased \$134,986, or 6.7%, from the prior year. Total expenditures increased \$275,001 over the prior year, primarily due to an increase in costs for snow removal and the spreading of additional gravel. The Secondary Roads Fund ending balance decreased \$110,504 from the prior year to \$859,581.
- The Arthur Ethanol Donation Fund accounts for payments from Platinum Ethanol, LLC as a result of a private development agreement. The first annual contribution of \$25,000 was received November 23, 2009.

BUDGETARY HIGHLIGHTS

Over the course of the year, Ida County amended its budget once. The amendment was on May 25, 2010, which resulted in an increase in budgeted disbursements for the administration function of \$72,000 for additional jail renovation expenses and for the physical health and social services function of \$33,800 for additional public health grant receipts and related disbursements.

The County's receipts were \$23,116 more than budgeted, within 1% of the amount budgeted.

Total disbursements were \$645,146 less than budgeted. Actual disbursements for the mental health, administration and county environment and education functions were \$184,705, \$166,259 and \$98,998, respectively, less than budgeted. The mental health function had several items which were budgeted but were not expended. In the administration function, \$20,000 of county government assistance was not expended and several other departments, such as general services and data processing, did not incur the entire budgeted expense. In the county environment and education function, the budgeted landfill closing bid was lower than projected and the weed eradication budget was not fully expended.

The County did not exceed the amounts budgeted by function during fiscal year 2010.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2010, Ida County had approximately \$9.3 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 \$941,000, or 11.2%, over last year.

Capital Assets of Governmental Activities at Year End (Expressed in Thousands)		
	June 30,	
	2010	2009
Land	\$ 242	242
Construction in progress	555	102
Buildings and improvements	507	543
Equipment and vehicles	1,493	1,593
Infrastructure	6,509	5,885
Total	\$ 9,306	8,365

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

Capital assets contributed by the Iowa Department of Transportation	\$ 870
Jail addition	418
Secondary Roads equipment	218
Local road projects	56
Total	\$ 1,562

The County had depreciation expense of \$618,253 in fiscal year 2010 and total accumulated depreciation of \$4,952,404 at June 30, 2010. More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

Long-Term Debt

At June 30, 2010, 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 2011 budget, tax rates and fees charged for various County activities. These factors were considerations for the fiscal year 2011 budget which certified taxes as follows: (Amount certified includes utility replacement and property tax dollars)

Levy	2011	2010	Percentage Change
	Dollars Certified	Dollars Certified	
General basic	\$ 1,398,879	1,353,068	3.39%
General supplemental	427,657	471,641	-9.33%
Mental health	297,100	297,912	-0.27%
Rural services basic	592,537	592,502	0.01%
Total	\$ 2,716,173	2,715,123	0.04%

Continued state revenue cutbacks and health insurance increases and the jail renovation project for the past few years are driving increases in property tax. No new services were added in the fiscal year 2011 budget. Levy rates (expressed in \$/\$1,000 of taxable valuation) to produce the above dollars for fiscal year 2011 are as follows:

Levy Rate	2011	2010	Percentage Change
General basic	\$ 3.50000	3.50000	0.00%
General supplemental	1.07000	1.22000	100.00%
Mental health	0.74335	0.77061	-3.54%
Rural services basic	2.05000	2.10000	-2.38%
Total	\$ 7.36335	7.59061	-2.99%

Budgeted disbursements in the fiscal year 2011 operating budget are approximately \$5.9 million, which is a 3.1% decrease from the fiscal year 2010 final budget. Total taxable valuations increased approximately \$13 million. The mental health levy rate was lowered 3.54% due to the fiscal year 2010 ending fund balance. The rural services basic levy rate decreased 2.38%.

CONTACTING THE COUNTY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Ida County’s finances and to show the County’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Ida County Auditor’s Office, 401 Moorehead Street, Ida Grove, Iowa, 51445-0236.

Ida County

Basic Financial Statements

Ida County
Statement of Net Assets
June 30, 2010

	<u>Governmental Activities</u>
Assets	
Cash and pooled investments	\$ 2,189,523
Restricted cash and pooled investments	408,561
Receivables:	
Succeeding year property tax	2,724,000
Accounts	454,516
Accrued interest	267
Due from other governments	207,792
Inventories	250,977
Prepaid insurance	102,543
Capital assets (net of accumulated depreciation)	<u>9,306,169</u>
Total assets	<u>15,644,348</u>
Liabilities	
Accounts payable	309,374
Salaries and benefits payable	45,391
Due to other governments	157,757
Deferred revenue:	
Succeeding year property tax	2,724,000
Long-term liabilities:	
Portion due or payable within one year:	
Compensated absences	57,761
Estimated liability for closure and postclosure care	13,215
Portion due or payable after one year:	
Compensated absences	21,326
Estimated liability for closure and postclosure care	356,805
Net OPEB liability	<u>9,560</u>
Total liabilities	<u>3,695,189</u>
Net Assets	
Invested in capital assets	9,306,169
Restricted for:	
Supplemental levy purposes	117,508
Mental health purposes	451,201
Secondary roads purposes	791,357
Other purposes	128,682
Unrestricted	<u>1,154,242</u>
Total net assets	<u>\$ 11,949,159</u>

See notes to financial statements.

Ida County

Statement of Activities

Year ended June 30, 2010

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
Functions/Programs:					
Governmental activities:					
Public safety and legal services	\$ 621,999	38,673	11,894	-	(571,432)
Physical health and social services	292,413	13,536	129,752	-	(149,125)
Mental health	585,229	686	398,294	-	(186,249)
County environment and education	277,111	48,446	20,481	-	(208,184)
Roads and transportation	3,101,529	84,692	1,797,106	869,723	(350,008)
Governmental services to residents	242,976	139,145	-	-	(103,831)
Administration	571,389	42,989	44,484	-	(483,916)
Total	\$ 5,692,646	368,167	2,402,011	869,723	(2,052,745)
General Revenues:					
Property and other county tax levied for:					
General purposes					2,590,538
Tax increment financing					104,263
Penalty and interest on property tax					18,177
State tax credits					77,027
Local option sales tax					111,477
Unrestricted investment earnings					14,430
Total general revenues					2,915,912
Change in net assets					863,167
Net assets beginning of year					11,085,992
Net assets end of year					\$ 11,949,159

See notes to financial statements.

Ida County
Balance Sheet
Governmental Funds

June 30, 2010

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Assets				
Cash and pooled investments	\$ 312,973	596,752	477,046	713,315
Restricted cash and pooled investments	-	-	-	-
Receivables:				
Succeeding year property tax	1,741,000	283,000	562,000	-
Accounts	1,277	-	431	2,770
Accrued interest	30	-	-	-
Due from other governments	29,829	31,549	41,823	104,591
Inventories	-	-	-	250,977
Prepaid insurance	38,909	-	1,034	61,954
Total assets	\$ 2,124,018	911,301	1,082,334	1,133,607
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 44,889	26,817	1,078	236,584
Salaries and benefits payable	7,213	-	852	37,115
Due to other governments	6,650	150,283	497	327
Deferred revenue:				
Succeeding year property tax	1,741,000	283,000	562,000	-
Other	-	-	-	-
Total liabilities	1,799,752	460,100	564,427	274,026
Fund balances:				
Reserved for:				
Supplemental levy purposes	117,058	-	-	-
Closure and postclosure care	-	-	-	-
Unreserved, designated for:				
Courthouse maintenance	24,000	-	-	-
Public safety	1,429	-	-	-
Computer equipment	54,023	-	-	-
Legal services	15,203	-	-	-
Conservation	580	-	-	-
Unreserved, reported in:				
General fund	111,973	-	-	-
Special revenue funds	-	451,201	517,907	859,581
Total fund balances	324,266	451,201	517,907	859,581
Total liabilities and fund balances	\$ 2,124,018	911,301	1,082,334	1,133,607

See notes to financial statements.

Arthur Ethanol Donation	Nonmajor	Total
-	89,437	2,189,523
-	408,561	408,561
-	138,000	2,724,000
450,000	38	454,516
-	237	267
-	-	207,792
-	-	250,977
-	646	102,543
450,000	636,919	6,338,179
-	6	309,374
-	211	45,391
-	-	157,757
-	138,000	2,724,000
450,000	-	450,000
450,000	138,217	3,686,522
-	-	117,058
-	408,566	408,566
-	-	24,000
-	-	1,429
-	-	54,023
-	-	15,203
-	-	580
-	-	111,973
-	90,136	1,918,825
-	498,702	2,651,657
450,000	636,919	6,338,179

Ida County

Ida County

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

June 30, 2010

Total governmental fund balances (page 19) \$ 2,651,657

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$14,258,573 and the accumulated depreciation is \$4,952,404. 9,306,169

Other long-term assets are not available to pay current year expenditures and, therefore, are deferred in the governmental funds. 450,000

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. (458,667)

Net assets of governmental activities (page 16) \$ 11,949,159

See notes to financial statements.

Ida County

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

Year ended June 30, 2010

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Revenues:				
Property and other county tax	\$ 1,736,763	283,546	564,896	-
Local option sales tax	-	-	111,477	-
Penalty and interest on property tax	18,177	-	-	-
Intergovernmental	233,354	411,733	25,135	1,797,106
Licenses and permits	13,164	-	-	3,805
Charges for service	203,099	-	1,550	-
Use of money and property	14,430	-	-	-
Miscellaneous	41,854	686	304	80,888
Total revenues	<u>2,260,841</u>	<u>695,965</u>	<u>703,362</u>	<u>1,881,799</u>
Expenditures:				
Operating:				
Public safety and legal services	618,674	-	-	-
Physical health and social services	290,861	-	-	-
Mental health	-	585,229	-	-
County environment and education	199,033	-	54,688	-
Roads and transportation	-	-	-	2,644,571
Governmental services to residents	242,777	-	-	-
Administration	552,824	-	-	-
Capital projects	399,050	-	-	153,746
Total expenditures	<u>2,303,219</u>	<u>585,229</u>	<u>54,688</u>	<u>2,798,317</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(42,378)</u>	<u>110,736</u>	<u>648,674</u>	<u>(916,518)</u>
Other financing sources (uses):				
Sale of capital assets	-	-	-	1,750
Operating transfers in	140,000	-	154,716	804,264
Operating transfers out	(205,237)	-	(774,763)	-
Total other financing sources (uses)	<u>(65,237)</u>	<u>-</u>	<u>(620,047)</u>	<u>806,014</u>
Net change in fund balances	(107,615)	110,736	28,627	(110,504)
Fund balances beginning of year	<u>431,881</u>	<u>340,465</u>	<u>489,280</u>	<u>970,085</u>
Fund balances end of year	<u>\$ 324,266</u>	<u>451,201</u>	<u>517,907</u>	<u>859,581</u>

See notes to financial statements.

<hr/>		
Arthur		
Ethanol		
Donation	Nonmajor	Total
<hr/>		
-	104,264	2,689,469
-	-	111,477
-	-	18,177
-	20,718	2,488,046
-	-	16,969
-	1,498	206,147
-	5,333	19,763
25,000	12,310	161,042
<hr/>	<hr/>	<hr/>
25,000	144,123	5,711,090
<hr/>		
-	-	618,674
-	1,592	292,453
-	-	585,229
-	15,822	269,543
-	-	2,644,571
-	-	242,777
-	10,000	562,824
-	-	552,796
<hr/>	<hr/>	<hr/>
-	27,414	5,768,867
<hr/>		
25,000	116,709	(57,777)
<hr/>		
-	-	1,750
-	25,000	1,123,980
(25,000)	(118,980)	(1,123,980)
<hr/>	<hr/>	<hr/>
(25,000)	(93,980)	1,750
<hr/>		
-	22,729	(56,027)
<hr/>		
-	475,973	2,707,684
<hr/>		
-	498,702	2,651,657
<hr/>		

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, 2010

Net change in fund balances - Total governmental funds (page 23) \$ (56,027)**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	\$ 692,104	
Capital assets contributed by the Iowa Department of Transportation	869,723	
Depreciation expense	<u>(618,253)</u>	943,574

In the Statement of Activities, the loss on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources.

(2,625)

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

(25,000)

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	4,375	
Adjustment to estimated costs for landfill closure and postclosure care	8,430	
Other postemployment benefits	<u>(9,560)</u>	<u>3,245</u>

Change in net assets of governmental activities (page 17)**\$ 863,167**

See notes to financial statements.

Ida County
Statement of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2010

Assets

Cash and pooled investments:	
County Treasurer	\$ 624,343
Other county officials	26,649
Receivables:	
Succeeding year property tax	7,519,000
Accounts	13,481
Accrued interest	63
Due from other governments	12,193
Total assets	8,195,729

Liabilities

Accounts payable	26,181
Salaries and benefits payable	1,748
Due to other governments	8,121,115
Trusts payable	10,918
Compensated absences	35,767
Total liabilities	8,195,729

Net assets	\$ -
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See notes to financial statements.

Ida County

Notes to Financial Statements

June 30, 2010

(1) Summary of Significant Accounting Policies

Ida County is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Treasurer, Recorder, Sheriff and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance and general administrative services.

The County's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

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

Ida County Public Safety and Communications Commission – Ida County is a member of the Ida County Public Safety and Communications Commission (the Commission) established pursuant to Chapter 28E of the Code of Iowa. The Commission plans for County-wide law enforcement and communications within the boundaries of Ida County, including all rural areas and participating municipalities. The Commission can contract with any and all public agencies which wish to enter into contracts with the Commission for the provision of law enforcement, communications and public safety services. The Commission furnishes law enforcement services, emergency communications and such other services as may be necessary to protect the rights and property of all citizens of any public agency contracting with the Commission. The Commission's Board is composed of three representatives selected by and from the Ida County Board of Supervisors and one representative selected by each participating municipality. The Commission is funded primarily by assessments made against each participating member. The County's participating share cannot be less than 43 percent of the annual budget. The County has an ongoing financial responsibility to the Commission for its continued existence. Membership in the Commission for the year ended June 30, 2010 included five municipalities and the County. Ida County contributed \$429,923 and the

municipalities contributed \$570,649 to support the Commission. Financial transactions of the Commission are included in the County's financial statements only to the extent of the County's fiduciary relationship with the Commission and, as such, are reported as part of the Other Agency Funds of the County.

Jointly Governed Organizations – The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Ida County Assessor's Conference Board, Ida County Emergency Management Commission, Ida County Public Safety Commission and Ida County Joint E911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Agency Funds of the County.

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

B. Basis of Presentation

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

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

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

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

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

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

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

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

The 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 period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days after year end.

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

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

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

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

D. Assets, Liabilities and Fund Equity

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

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

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2008 assessed property valuations; is for the tax accrual period July 1, 2009 through June 30, 2010 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2009.

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

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

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

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

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

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

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

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

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

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2010. The compensated absences liability attributable to the governmental activities will be paid primarily by the General, Mental Health, Rural Services and Secondary Roads Funds.

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

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

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2010, disbursements for one department exceeded the amount appropriated.

(2) Cash and Pooled Investments

The County's deposits in banks at June 30, 2010 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

The County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$19,273 pursuant to Rule 2a-7 under the Investment Company Act of 1940. The investments in the Iowa Public Agency Investment Trust are unrated for credit risk purposes.

(3) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2010 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General	Special Revenue: Rural Services	\$ 140,000
Special Revenue: Secondary Roads	General	65,237
	Special Revenue: Rural Services	634,763
	Ida County Urban Renewal	104,264
Rural Services	General	140,000
	Special Revenue: Landfill Closure/Postclosure	14,716
County Government Assistance	Special Revenue: Arthur Ethanol Donation	25,000
Total		<u>\$ 319,716</u>

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

(4) Capital Assets

Capital assets activity for the year ended June 30, 2010 was as follows:

	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 241,692	-	-	241,692
Construction in progress	101,972	505,535	(52,316)	555,191
Total capital assets not being depreciated	<u>343,664</u>	<u>505,535</u>	<u>(52,316)</u>	<u>796,883</u>
Capital assets being depreciated:				
Buildings	1,486,755	-	-	1,486,755
Equipment and vehicles	4,258,604	217,500	(10,500)	4,465,604
Infrastructure, road network	6,618,223	891,108	-	7,509,331
Total capital assets being depreciated	<u>12,363,582</u>	<u>1,108,608</u>	<u>(10,500)</u>	<u>13,461,690</u>
Less accumulated depreciation for:				
Buildings	943,244	36,465	-	979,709
Equipment and vehicles	2,666,057	314,452	(7,875)	2,972,634
Infrastructure, road network	732,725	267,336	-	1,000,061
Total accumulated depreciation	<u>4,342,026</u>	<u>618,253</u>	<u>(7,875)</u>	<u>4,952,404</u>
Total capital assets being depreciated, net	<u>8,021,556</u>	<u>490,355</u>	<u>(2,625)</u>	<u>8,509,286</u>
Governmental activities capital assets, net	<u>\$ 8,365,220</u>	<u>995,890</u>	<u>(54,941)</u>	<u>9,306,169</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
County environment and education	\$ 15,147
Roads and transportation	575,515
Administration	27,591
Total depreciation expense - governmental activities	<u>\$ 618,253</u>

(5) Due to Other Governments

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

Fund	Description	Amount
General	Services	\$ 6,650
Special Revenue:		
Mental Health	Services	150,283
Rural Services	Services	497
Secondary Roads	Services	327
		<u>151,107</u>
Total for governmental funds		<u>\$ 157,757</u>
Agency:		
County Offices	Collections	\$ 15,887
Agricultural Extension Education		115,043
County Assessor		153,863
Schools		5,131,265
Community Colleges		319,920
Corporations		1,711,726
Townships		187,811
Auto License and Use Tax		212,114
All other		273,486
Total for agency funds		<u>\$ 8,121,115</u>

(6) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2010 is as follows:

	Compen- sated Absences	Estimated Liability for Closure and Postclosure Care	Net OPEB Liability	Total
Balance beginning of year	\$ 83,462	378,450	-	461,912
Increases	59,891	-	9,560	69,451
Decreases	64,266	8,430	-	72,696
Balance end of year	<u>\$ 79,087</u>	<u>370,020</u>	<u>9,560</u>	<u>458,667</u>
Due within one year	<u>\$ 57,761</u>	<u>13,215</u>	<u>-</u>	<u>70,976</u>

(7) Pension and Retirement Benefits

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

Most regular plan members are required to contribute 4.30% of their annual covered salary and the County is required to contribute 6.65% 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, 2010, 2009 and 2008 were \$138,223, \$126,634 and \$117,826, respectively, equal to the required contributions for each year.

(8) Other Postemployment Benefits (OPEB)

The County implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits other Than Pensions, during the year ended June 30, 2010.

Plan Description. The County operates a single-employer retiree benefit plan which provides health benefits for retirees and their spouses. There are 46 active and no retired members in the plan. Retired participants must be age 55 or older at retirement, with the exception of special service participants who must be age 50 with 22 years of service.

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

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

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

The following table shows the components of the County's annual OPEB cost for the year ended June 30, 2010, the amount actually contributed to the plan and changes in the County's net OPEB obligation:

Annual required contribution	\$ 12,878
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	12,878
Contributions made	<u>(3,318)</u>
Increase in net OPEB obligation	9,560
Net OPEB obligation beginning of year	<u>-</u>
Net OPEB obligation end of year	<u>\$ 9,560</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, 2010.

For the year ended June 30, 2010, the County contributed \$3,318 to the health plan. Plan members eligible for benefits contributed \$4,665, or 58.4% of the premium costs.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2010 are summarized as follows:

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

Funded Status and Funding Progress. As of July 1, 2009, the most recent actuarial valuation date for the period July 1, 2009 through June 30, 2010, the actuarial accrued liability was \$114,158, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$114,158. The covered payroll (annual payroll of active employees covered by the plan) was \$1,776,000 and the ratio of the UAAL to covered payroll was 6.4%. As of June 30, 2010, 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, presented as Required Supplementary Information in the section following the Notes to Financial Statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

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

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

Projected claim costs of the medical plan are \$691 per month for retirees and \$691 per month for the retirees' 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 in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 634 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the

purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

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

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

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's contributions to the Pool for the year ended June 30, 2010 were \$146,504.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured in an amount not to exceed \$2,650,000 per claim and \$10,000,000 in aggregate per year. For members requiring specific coverage from \$3,000,000 to \$10,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$150,000 each occurrence, each location, with excess coverage reinsured by The Travelers Insurance Company.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2010, no liability has been recorded in the County's financial statements. As of June 30, 2010, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

equal to the annual operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

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

(10) 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.

These costs for the Ida County Landfill have been estimated at \$370,020 for postclosure care as of June 30, 2010 and the portion of the liability that has been recognized is \$370,020. This amount is based on what it would cost to perform all postclosure care during the year ended June 30, 2010. 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.

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 costs and, at June 30, 2010, assets of \$408,566 are restricted for postclosure care. They are reported as restricted investments and accrued interest receivable in the Statement of Net Assets.

(11) Ida County Public Safety and Communications Commission

The County participates in the Ida County Public Safety and Communications Commission, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa. Financial transactions of this organization are included in the County's financial statements as part of the Other Agency Funds because of the County's fiduciary relationship with the organization. The following financial data is for the year ended June 30, 2010:

	Ida County Public Safety and Communications Commission						
	Operating	Confiscated Property	Sheriff's K-9	Sheriff's Commissary	Sherrif's Reserve Deputy	Sheriff's DARE	Total
Additions:							
Contributions from governmental units:							
Ida County	\$ 429,923	-	-	-	-	-	429,923
Ida Grove	272,951	-	-	-	-	-	272,951
Holstein	163,721	-	-	-	-	-	163,721
Arthur	25,996	-	-	-	-	-	25,996
Galva	32,994	-	-	-	-	-	32,994
Battle Creek	74,987	-	-	-	-	-	74,987
	<u>1,000,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,572</u>
Prisoner fees:							
Boarding fees	5,808	-	-	-	-	-	5,808
Work release fees	1,500	-	-	-	-	-	1,500
Commissary fees	-	-	-	1,909	-	-	1,909
	<u>7,308</u>	<u>-</u>	<u>-</u>	<u>1,909</u>	<u>-</u>	<u>-</u>	<u>9,217</u>
Miscellaneous:							
Refunds	4,004	-	-	-	-	-	4,004
Miscellaneous	3,402	194	-	-	-	-	3,596
	<u>7,406</u>	<u>194</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,600</u>
Total additions	<u>1,015,286</u>	<u>194</u>	<u>-</u>	<u>1,909</u>	<u>-</u>	<u>-</u>	<u>1,017,389</u>
Deductions:							
Salaries and wages	593,801	-	-	-	-	-	593,801
Benefits	197,070	-	-	-	-	-	197,070
Iowa system rental	4,164	-	-	-	-	-	4,164
Postage and mailing	1,284	-	-	-	-	-	1,284
Office supplies	8,745	-	-	-	-	-	8,745
Mileage and subsistence	1,584	-	-	-	-	-	1,584
Education and training	8,717	-	-	-	-	-	8,717
Uniform allowance	1,853	-	-	-	-	-	1,853
Insurance	37,341	-	-	-	-	-	37,341
Equipment, supplies and maintenance	46,513	-	-	-	163	-	46,676
Motor vehicle	41,687	-	-	-	-	-	41,687
Motor vehicle supplies	39,136	-	-	-	-	-	39,136
Telephone and fax	10,887	-	-	-	-	-	10,887
Radio equipment repair and maintenance	315	-	-	-	-	-	315
Investigations	73	-	-	-	-	-	73
Jail food and provisions	9,113	-	-	1,777	-	-	10,890
Jail supplies	962	-	-	-	-	-	962
Medical supplies	3,986	-	-	-	-	-	3,986
Improvements	5,842	-	-	-	-	-	5,842
Housing at other facilities	15,440	-	-	-	-	-	15,440
K-9 supplies	-	-	159	-	-	-	159
Miscellaneous	2,694	-	-	-	-	-	2,694
Transfer to Emergency Management	4,017	-	-	-	-	-	4,017
Total deductions	<u>1,035,224</u>	<u>-</u>	<u>159</u>	<u>1,777</u>	<u>163</u>	<u>-</u>	<u>1,037,323</u>
Change in net assets	(19,938)	194	(159)	132	(163)	-	(19,934)
Balance beginning of year	112,343	1,468	191	624	361	16	115,003
Balance end of year	<u>\$ 92,405</u>	<u>1,662</u>	<u>32</u>	<u>756</u>	<u>198</u>	<u>16</u>	<u>95,069</u>

(12) Public Health Services Agreement

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

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

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

(13) Development Agreements and Establishment of Urban Renewal Area

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

In November 2006, the County entered into a private development agreement with Maple River Energy, LLC for construction of a 5 million-gallon per year biodiesel and soybean processing plant. The County agreed to provide a 100% abatement of Maple River Energy, LLC property tax for ten years. The County agreed to rebate 75% of tax paid by Maple River Energy, LLC, for an additional ten years, which will begin in year eleven.

In March 2007, the County entered into a private development agreement under the authorization of Chapter 403 of the Code of Iowa with Platinum Ethanol, LLC for the construction of a dry mill, corn-processing ethanol plant facility at an amount of not less than \$160,000,000. The County has adopted Ida County Urban Renewal Plan #1 which encompasses the development property. The County will provide a 100% abatement of Platinum Ethanol, LLC property tax for ten years. The County also agreed to rebate 75% of the tax paid by Platinum Ethanol, LLC for an additional ten years, which will begin in year eleven. The County agreed to pay up to \$350,000 for expenses related to road improvements to support the project. As of June 30, 2010, the County has incurred costs of \$511,338 related to the road improvement project. 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. The first contribution of \$25,000 was received on November 23, 2009.

(14) Construction Commitment

The County has entered into a contract totaling \$440,363 for a jail building expansion project. As of June 30, 2010, costs of \$418,345 have been incurred on the project. The balance of \$22,018 remaining on the contract at June 30, 2010 will be paid as work on the project progresses.

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, 2010

	Actual	Budgeted Amounts		Final to Actual Variance
		Original	Final	
Receipts:				
Property and other county tax	\$ 2,759,082	2,707,324	2,707,324	51,758
Interest and penalty on property tax	18,177	2,000	2,000	16,177
Intergovernmental	2,514,552	2,552,673	2,586,473	(71,921)
Licenses and permits	13,951	16,331	16,331	(2,380)
Charges for service	208,126	196,060	196,060	12,066
Use of money and property	22,911	52,525	52,525	(29,614)
Miscellaneous	162,055	115,025	115,025	47,030
Total receipts	<u>5,698,854</u>	<u>5,641,938</u>	<u>5,675,738</u>	<u>23,116</u>
Disbursements:				
Public safety and legal services	615,011	666,528	666,528	51,517
Physical health and social services	288,551	296,972	330,772	42,221
Mental health	541,077	725,782	725,782	184,705
County environment and education	267,385	366,383	366,383	98,998
Roads and transportation	2,397,651	2,420,000	2,420,000	22,349
Governmental services to residents	246,592	271,579	271,579	24,987
Administration	955,207	1,049,466	1,121,466	166,259
Capital projects	205,890	260,000	260,000	54,110
Total disbursements	<u>5,517,364</u>	<u>6,056,710</u>	<u>6,162,510</u>	<u>645,146</u>
Excess (deficiency) of receipts over (under) disbursements	181,490	(414,772)	(486,772)	668,262
Other financing sources, net	185	100	100	85
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	181,675	(414,672)	(486,672)	668,347
Balance beginning of year	2,416,409	2,327,290	2,327,290	89,119
Balance end of year	<u>\$ 2,598,084</u>	<u>1,912,618</u>	<u>1,840,618</u>	<u>757,466</u>

See accompanying independent auditor's report.

Ida County
 Budgetary Comparison Schedule - Budget to GAAP Reconciliation
 Required Supplementary Information
 Year ended June 30, 2010

	Governmental Funds		
	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis
Revenues	\$ 5,698,854	12,236	5,711,090
Expenditures	5,517,364	251,503	5,768,867
Net	181,490	(239,267)	(57,777)
Other financing sources, net	185	1,565	1,750
Beginning fund balances	2,416,409	291,275	2,707,684
Ending fund balances	\$ 2,598,084	53,573	2,651,657

See accompanying independent auditor's report.

Ida County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2010

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. During the year, one budget amendment increased budgeted disbursements by \$105,800. The budget amendment is reflected in the final budgeted amounts. Also, jail project disbursements were budgeted under the administration function but were reclassified to the capital projects function in the financial statements.

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, 2010, disbursements did not exceed the amounts budgeted by function. However, disbursements for one department exceeded the amount appropriated before the Board of Supervisors acted to increase the appropriation.

Ida County

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

Required Supplementary Information

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

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

Ida County

Other Supplementary Information

Ida County
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2010

	County Recorder's Records Management	County Government Assistance	Resource Enhancement and Protection	Special Confiscated Funds - County Attorney
Assets				
Cash and pooled investments	\$ 11,099	48,278	18,942	4,052
Restricted cash and pooled investments	-	-	-	-
Receivables:				
Succeeding year property tax	-	-	-	-
Accrued interest	-	-	33	-
Due from other governments	-	-	-	237
Prepaid insurance	-	-	646	-
Total assets	\$ 11,099	48,278	19,621	4,289
Liabilities and Fund Equity				
Liabilities:				
Accounts payable	\$ -	-	6	-
Salaries and benefits payable	-	-	211	-
Succeeding year property tax	-	-	-	-
Total liabilities	-	-	217	-
Fund equity:				
Fund balances:				
Reserved for closure and postclosure care	-	-	-	-
Unreserved	11,099	48,278	19,404	4,289
Total fund equity	11,099	48,278	19,404	4,289
Total liabilities and fund equity	\$ 11,099	48,278	19,621	8,578

See accompanying independent auditor's report.

Revenue				
Landfill Closure/ Postclosure	Ida County Urban Renewal	Ida County Foundation Trust Fund	Public Health Services Enhancement	Total
-	-	-	7,066	89,437
408,561	-	-	-	408,561
-	138,000	-	-	138,000
5	-	-	-	38
-	-	-	-	237
-	-	-	-	646
408,566	138,000	-	7,066	636,919
-	-	-	-	6
-	-	-	-	211
-	138,000	-	-	138,000
-	138,000	-	-	138,217
408,566	-	-	-	408,566
-	-	-	7,066	90,136
408,566	-	-	7,066	498,702
408,566	138,000	-	7,066	636,919

Ida County

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

Year ended June 30, 2010

	County Recorder's Records Management	County Government Assistance	Resource Enhancement and Protection	Special Confiscated Funds - County Attorney
Revenues:				
Property and other county tax	\$ -	-	-	-
Intergovernmental	-	-	20,481	237
Charges for service	1,498	-	-	-
Use of money and property	-	3,000	-	-
Miscellaneous	-	-	2,310	-
Total revenues	1,498	3,000	22,791	237
Expenditures:				
Operating:				
Physical health and social services	-	-	-	-
County environment and education	-	-	15,822	-
Administration	-	-	-	-
Total expenditures	-	-	15,822	-
Excess (deficiency) of revenues over (under) expenditures	1,498	3,000	6,969	237
Other financing sources (uses):				
Operating transfers in	-	25,000	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	-	25,000	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,498	28,000	6,969	237
Fund balances beginning of year	9,601	20,278	12,435	4,052
Fund balances end of year	\$ 11,099	48,278	19,404	4,289

See accompanying independent auditor's report.

Revenue					
Landfill Closure/ Postclosure	Ida County Urban Renewal	Ida County Foundation Trust Fund	Public Health Services Enhancement	Total	
-	104,264	-	-	104,264	
-	-	-	-	20,718	
-	-	-	-	1,498	
2,333	-	-	-	5,333	
-	-	10,000	-	12,310	
2,333	104,264	10,000	-	144,123	
-	-	-	1,592	1,592	
-	-	-	-	15,822	
-	-	10,000	-	10,000	
-	-	10,000	1,592	27,414	
2,333	104,264	-	(1,592)	116,709	
-	-	-	-	25,000	
(14,716)	(104,264)	-	-	(118,980)	
(14,716)	(104,264)	-	-	(93,980)	
(12,383)	-	-	(1,592)	22,729	
420,949	-	-	8,658	475,973	
408,566	-	-	7,066	498,702	

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

June 30, 2010

	County Offices	Agricultural Extension Education	County Assessor	Schools	Community Colleges
Assets					
Cash and pooled investments:					
County Treasurer	\$ -	1,043	47,883	47,265	2,920
Other County officials	26,649	-	-	-	-
Receivables:					
Succeeding year property tax	-	114,000	112,000	5,084,000	317,000
Accounts	156	-	-	-	-
Accrued interest	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total assets	\$ 26,805	115,043	159,883	5,131,265	319,920
Liabilities					
Accounts payable	\$ -	-	244	-	-
Salaries and benefits payable	-	-	333	-	-
Due to other governments	15,887	115,043	153,863	5,131,265	319,920
Trusts payable	10,918	-	-	-	-
Compensated absences	-	-	5,443	-	-
Total liabilities	\$ 26,805	115,043	159,883	5,131,265	319,920

See accompanying independent auditor's report.

Corporations	Townships	Auto License and Use Tax	Other	Total
6,726	1,811	212,114	304,581	624,343
-	-	-	-	26,649
1,705,000	186,000	-	1,000	7,519,000
-	-	-	13,325	13,481
-	-	-	63	63
-	-	-	12,193	12,193
1,711,726	187,811	212,114	331,162	8,195,729
-	-	-	25,937	26,181
-	-	-	1,415	1,748
1,711,726	187,811	212,114	273,486	8,121,115
-	-	-	-	10,918
-	-	-	30,324	35,767
1,711,726	187,811	212,114	331,162	8,195,729

Ida County

Combining Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds

Year ended June 30, 2010

	County Offices	Agricultural Extension Education	County Assessor	Schools	Community Colleges
Assets and Liabilities					
Balances beginning of year	\$ 17,319	110,445	188,364	5,017,396	309,098
Additions:					
Property and other county tax	-	114,455	111,489	5,085,374	316,732
E911 surcharge	-	-	-	-	-
State tax credits	-	5,188	6,375	235,174	14,492
Drivers license fees	-	-	-	-	-
Office fees and collections	137,506	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-	-
Trusts	99,815	-	-	-	-
Assessments	-	-	-	-	-
Miscellaneous	-	-	464	-	-
Total additions	237,321	119,643	118,328	5,320,548	331,224
Deductions:					
Agency remittances:					
To other funds	38,607	-	-	-	-
To other governments	89,566	115,045	146,809	5,206,679	320,402
Trusts paid out	99,662	-	-	-	-
Total deductions	227,835	115,045	146,809	5,206,679	320,402
Balances end of year	\$ 26,805	115,043	159,883	5,131,265	319,920

See accompanying independent auditor's report.

Corpora- tions	Townships	Auto License and Use Tax	Other	Total
1,498,926	171,588	192,412	346,839	7,852,387
1,700,422	186,638	-	1,104	7,516,214
-	-	-	85,105	85,105
76,969	7,274	-	52	345,524
-	-	18,228	-	18,228
-	-	-	32	137,538
-	-	2,353,491	-	2,353,491
-	-	-	20,375	120,190
-	-	-	4,026	4,026
-	-	-	1,071,773	1,072,237
1,777,391	193,912	2,371,719	1,182,467	11,652,553
-	-	89,300	4,017	131,924
1,564,591	177,689	2,262,717	1,171,529	11,055,027
-	-	-	22,598	122,260
1,564,591	177,689	2,352,017	1,198,144	11,309,211
1,711,726	187,811	212,114	331,162	8,195,729

Ida County

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

For the Last Ten Years

	Modified Accrual Basis				
	2010	2009	2008	2007	2006
Revenues:					
Property and other county tax	\$ 2,689,469	2,014,611	1,938,425	1,819,514	1,805,477
Local option sales tax	111,477	-	-	-	-
Interest and penalty on property tax	18,177	14,344	15,209	14,322	16,904
Intergovernmental	2,488,046	2,814,275	2,499,595	2,490,839	2,498,943
Licenses and permits	16,969	14,894	14,464	12,909	13,883
Charges for service	206,147	203,993	296,179	387,574	424,370
Use of money and property	19,763	54,773	178,595	235,173	190,666
Fines, forfeitures and defaults	-	-	-	-	-
Miscellaneous	161,042	92,533	102,631	245,039	18,408
Total	\$ 5,711,090	5,209,423	5,045,098	5,205,370	4,968,651
Expenditures:					
Operating:					
Public safety and legal services	\$ 618,674	582,787	568,539	551,562	519,155
Physical health and social services	292,453	254,743	233,244	234,664	360,158
Mental health	585,229	617,916	722,629	658,922	646,308
County environment and education	269,543	616,675	374,184	376,643	364,521
Roads and transportation	2,644,571	2,242,896	2,595,001	2,239,202	2,281,399
Governmental services to residents	242,777	250,908	217,704	233,356	250,304
Administration	562,824	646,839	621,533	711,761	607,036
Capital projects	552,796	280,420	1,175,003	3,465	197,100
Total	\$ 5,768,867	5,493,184	6,507,837	5,009,575	5,225,981

See accompanying independent auditor's report.

2005	2004	2003	2002	2001
1,794,080	1,781,461	1,753,654	1,711,400	1,764,020
-	-	-	-	-
16,512	15,886	13,930	14,823	17,467
2,556,140	2,401,989	2,277,734	2,457,162	2,381,672
9,907	8,545	8,877	6,665	7,583
436,497	413,286	336,877	357,731	306,442
85,074	46,471	77,434	116,107	245,255
-	-	-	224	814
36,389	2,491	37,749	29,538	12,174
4,934,599	4,670,129	4,506,255	4,693,650	4,735,427
480,795	478,252	462,695	446,205	391,722
318,038	403,786	414,539	415,643	399,138
610,672	585,812	600,863	590,865	596,809
360,779	428,899	352,426	333,195	339,395
1,628,623	1,760,485	2,129,355	1,867,319	1,727,312
268,221	226,212	218,386	197,742	117,693
612,838	569,878	521,064	498,273	486,639
53,982	153,477	447,737	71,441	282,783
4,333,948	4,606,801	5,147,065	4,420,683	4,341,491

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



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Auditor of State

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

To the Officials of Ida County:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Ida County, Iowa, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements listed in the table of contents, and have issued our report thereon dated March 10, 2011. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ida County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Ida County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Ida County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control over financial reporting we consider to be material weaknesses and other deficiencies we consider to be 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 items (C) and (D) to be significant deficiencies.

Compliance and Other Matters

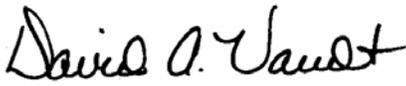
As part of obtaining reasonable assurance about whether Ida County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect 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 that 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, 2010 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 findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the County's responses, we did not audit Ida County's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Ida County and other parties to whom Ida County may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Ida County during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

March 10, 2011

Ida County

Schedule of Findings

Year ended June 30, 2010

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

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

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

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

Responses –

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

Recorder – In the Recorder’s Office, we will try and find ways to segregate the responsibilities of cash collection, deposits, and other duties as recommended.

Ida County

Schedule of Findings

Year ended June 30, 2010

Treasurer – We will try our hardest to do what is right with the staff we have.

Ag Extension – We will have the County Youth Coordinator review the bank statement prior to the office assistant reconciling.

Auditor – Reconciliation of the capital assets will be reviewed by the County Auditor and approved by the Board of Supervisors.

Conclusions –

Sheriff, Recorder, Treasurer and Auditor - Responses accepted.

Ag Extension – Response acknowledged. An independent review of the bank reconciliation should be performed.

- (B) Receipts – During testing of County accruals, three state warrants totaling \$92,597 received by the County during the accrual period were not properly accrued to the correct fiscal year. Adjustments were subsequently made to the financial statements.

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

Response – We post receipts as indicated by those making the deposit. Each department head will be notified to be more careful in identifying whether the receipt should be accrued or not.

Conclusion – Response accepted.

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

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

Response – We have become very good at using our own logins, even while working more than one area.

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.

Ida County

Schedule of Findings

Year ended June 30, 2010

(D) Disbursements – During testing of County payables, one expenditure for work completed prior to June 30, 2010 was not properly accrued, but no adjustment of the financial statements was required.

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

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

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Ida County

Schedule of Findings

Year ended June 30, 2010

Other Findings Related to Required Statutory Reporting:

- (1) Certified Budget – Disbursements during the year ended June 30, 2010 did not exceed the amounts budgeted by function. However, disbursements for one department exceeded the amount appropriated before the Board of Supervisors acted to increase the appropriation.

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

Response – The Supervisors, by resolution, will increase or decrease appropriations prior to the disbursement in order to ensure the disbursement does not exceed the appropriation.

Conclusion – Response accepted.

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

Ida County

Schedule of Findings

Year ended June 30, 2010

- (9) Financial Assurance – Ida County has demonstrated financial assurance for postclosure care by establishing a local government dedicated fund as provided in Chapter 111.6(8) of the Iowa Administrative Code. Total estimated costs for postclosure care is \$370,020. The balance at June 30, 2010 reserved for landfill postclosure care is \$408,566. Therefore, the postclosure care costs are fully funded at June 30, 2010.
- (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, 2010 for the Ida County Extension Office did not exceed the amount budgeted.

Ida County

Staff

This audit was performed by:

Suzanne R. Dahlstrom, CPA, Manager
Billie Jo Heth, Senior Auditor II
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Marta M. Sobieszkoda, Staff Auditor
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Andrew E. Nielsen, CPA
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