



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

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

9

NEWS RELEASE

FOR RELEASE _____ March 17, 2006

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 \$8,144,509 for the year ended June 30, 2005, which included \$548,300 in tax credits from the state. The County forwarded \$6,220,923 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$1,923,586 of the local tax revenue to finance County operations, a 1.45 percent increase over the prior year. Other revenues included charges for service of \$534,102, operating grants, contributions and restricted interest of \$2,248,285, capital grants, contributions and restricted interest of \$20,013, unrestricted investment earnings of \$87,327 and other general revenues of \$43,091.

Expenses for County operations totaled \$4,699,258, a 7 percent increase over the prior year. Expenses included \$1,926,082 for roads and transportation, \$643,560 for administration and \$610,672 for mental health

A copy of the 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/reports.htm>.

###

IDA COUNTY
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS
JUNE 30, 2005

Table of Contents

		Page
Officials		3
Independent Auditor’s Report		5-6
Management’s Discussion and Analysis		7-12
Basic Financial Statements:	<u>Exhibit</u>	
Government-wide Financial Statements:		
Statement of Net Assets	A	14
Statement of Activities	B	15
Governmental Fund Financial Statements:		
Balance Sheet	C	16-17
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Assets	D	19
Statement of Revenues, Expenditures and Changes in Fund Balances	E	20-21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	F	22
Proprietary Fund Financial Statements:		
Statement of Net Assets	G	23
Statement of Revenues, Expenses and Changes in Fund Net Assets	H	24
Statement of Cash Flows	I	25
Fiduciary Fund Financial Statement:		
Statement of Fiduciary Assets and Liabilities – Agency Funds	J	26
Notes to Financial Statements		27-41
Required Supplementary Information:		
Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances – Budget and Actual (Cash Basis) – All Governmental Funds		44
Budget to GAAP Reconciliation		45
Notes to Required Supplementary Information – Budgetary Reporting		46
Other Supplementary Information:	<u>Schedule</u>	
Nonmajor Special Revenue Funds:		
Combining Balance Sheet	1	48-49
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	2	50-51
Internal Service Funds:		
Combining Schedule of Net Assets	3	52
Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets	4	53
Combining Schedule of Cash Flows	5	54
Agency Funds:		
Combining Schedule of Fiduciary Assets and Liabilities	6	56-57
Combining Schedule of Changes in Fiduciary Assets and Liabilities	7	58-59
Schedule of Revenues by Source and Expenditures by Function – All Governmental Funds	8	60
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		63-64
Schedule of Findings		66-70
Staff		71

Ida County

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
(Before January 2005)		
Joseph L. Cronin	Board of Supervisors	Jan 2005
Robert C. Paulsrud	Board of Supervisors	Jan 2005
Jerry Ralston	Board of Supervisors	Jan 2007
Lorna Steenbock	County Auditor	Jan 2005
Kay Cork	County Treasurer	Jan 2007
James Clausen	County Recorder	Jan 2007
Wade Harriman	County Sheriff	Jan 2005
Kristal Phillips	County Attorney	Jan 2007
Marva Bennigsdorf	County Assessor	Jan 2010
(After January 2005)		
Jerry Ralston	Board of Supervisors	Jan 2007
Joseph L. Cronin	Board of Supervisors	Jan 2009
Robert C. Paulsrud	Board of Supervisors	Jan 2009
Lorna Steenbock	County Auditor	Jan 2009
Kay Cork	County Treasurer	Jan 2007
Colleen Gries	County Recorder	Jan 2007
Wade Harriman	County Sheriff	Jan 2009
Kristal Phillips	County Attorney	Jan 2007
Marva Bennigsdorf	County Assessor	Jan 2010

Ida County



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

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

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, 2005, 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.

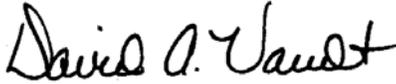
We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain 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, 2005, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated February 9, 2006 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 on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 7 through 12 and 44 through 46 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. However, 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 four years ended June 30, 2004 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 8 is presented for purposes of additional analysis and is not 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

February 9, 2006

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, 2005. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2005 FINANCIAL HIGHLIGHTS

- The County's governmental activities revenues decreased approximately \$1,513,000, or 23.8%, from fiscal 2004 to fiscal 2005. Capital grants and contributions decreased approximately \$1,465,000.
- The County's governmental activities expenses increased approximately \$306,000, or 7.0%, in fiscal 2005 from fiscal 2004. County environment and education increased approximately \$202,000.
- The County's net assets increased approximately \$157,000, or 2%, from June 30, 2004 to June 30, 2005.

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.

Other Supplementary Information provides detailed information about the nonmajor Special Revenue 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 three kinds of funds:

1) Governmental funds account for most of the County's basic services. These focus on how money flows into and out of those funds, and the balances left at year-end that are available for spending. The governmental funds include: 1) the General Fund 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) Proprietary funds account for the County's Internal Service, Employee Health Insurance Fund and Cafeteria Plan Funds. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions.

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

3) Fiduciary funds are used to report assets held in a trust or agency capacity for others which cannot be used to support the County's own programs. These fiduciary funds include Agency Funds that account for 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

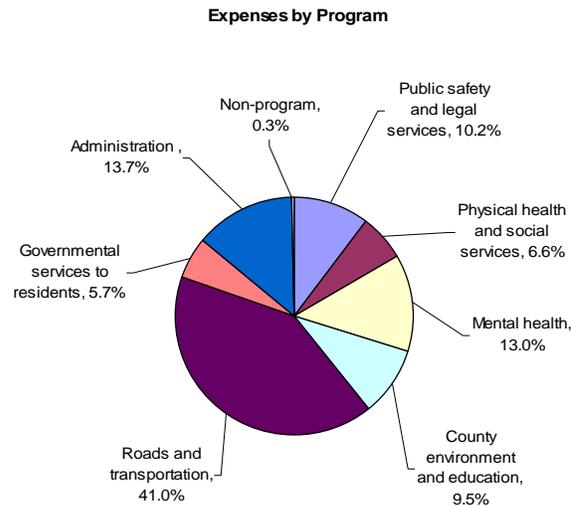
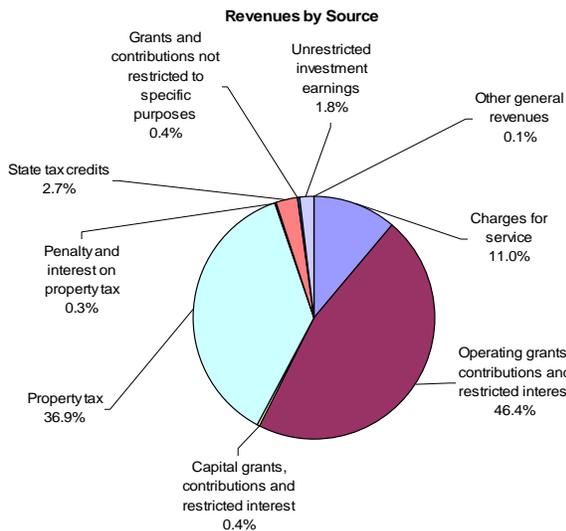
As noted earlier, net assets may serve over time as a useful indicator of financial position. Ida County's net assets increased from \$7.7 million to \$7.8 million. The analysis that follows focuses on the changes in the net assets for governmental activities.

Net Assets of Governmental Activities (Expressed in Thousands)		
	Year ended June 30,	
	2005	2004
Current and other assets	\$ 6,579	6,010
Capital assets	3,855	4,144
Total assets	10,434	10,154
Long-term liabilities	501	462
Other liabilities	2,125	2,041
Total liabilities	2,626	2,503
Net assets:		
Invested in capital assets	3,855	4,144
Restricted	2,283	1,672
Unrestricted	1,670	1,835
Total net assets	\$ 7,808	7,651

Net assets of Ida County's governmental activities increased by 2% (\$7.7 million compared to \$7.8 million). The largest portion of the County's net assets is the invested in capital assets (e.g., land, infrastructure, 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 \$1.8 million at June 30, 2004 to approximately \$1.7 million at June 30, 2005, a decrease of 9%.

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

	Year ended June 30,	
	2005	2004
Revenues:		
Program revenues:		
Charges for service	\$ 534	575
Operating grants, contributions and restricted interest	2,248	2,249
Capital grants, contributions and restricted interest	20	1,485
General revenues:		
Property tax	1,793	1,782
Penalty and interest on property tax	16	16
State tax credits	130	114
Grants and contributions not restricted to specific purposes	21	26
Unrestricted investment earnings	88	43
Other general revenues	6	79
Total revenues	4,856	6,369
Program expenses:		
Public safety and legal services	481	479
Physical health and social services	310	407
Mental health	611	753
County environment and education	446	244
Roads and transportation	1,926	1,643
Governmental services to residents	268	227
Administration	643	602
Non-program	14	38
Total expenses	4,699	4,393
Increase in net assets	157	1,976
Net assets beginning of year	7,651	5,675
Net assets end of year	\$ 7,808	7,651



The County increased property tax levy rates for 2005 by an average of 19.5% percent due, in part, to the levy of a supplemental tax and an increase in the levy for mental health services.

Taxable valuations decreased approximately 16.5% for county wide levies and 21.4% for rural levies. The tax revenue increased by approximately \$13,000 in 2005. Based on a 1.4% increase in the assessed valuation and a 1% decrease in property tax rates, property tax revenue is budgeted to decrease by \$2,000 next year (FY 2006).

INDIVIDUAL MAJOR FUND ANALYSIS

As Ida County completed the year, its governmental funds reported a combined fund balance of approximately \$4,220,000, an increase of \$601,000 over last year's total of \$3,619,000. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues increased by \$71,000 due, in part, to increases in utility replacement taxes of approximately \$38,000 and investment returns of approximately \$33,000. Expenditures decreased by a modest \$57,000 due to a reduction of staff in Public Health. The ending fund balance increased \$5,000 over the prior year to \$929,000.
- The County has continued to look for ways to effectively manage the cost of mental health services. For the year, expenditures totaled approximately \$611,000, an increase of 4% from the prior year. The revenues totaled approximately \$629,000, an increase of 48% from the previous year as a result of an increased property tax mental health levy of \$0.40 per \$1,000 of taxable valuation, or 172%, and the receipt of growth dollars of approximately \$45,000. The Mental Health Fund balance at year end increased by approximately \$19,000 from the prior year to \$137,000.
- Rural Services Fund revenues decreased by \$99,000 due to lowering the tax levy rate by \$0.05 per \$1,000 of taxable valuation, or 23%, along with a decrease in property tax valuation of approximately 21.4%. Expenditures decreased by \$59,000 due, in part, to the construction of a storage facility at the landfill in FY 2004. The ending fund balance declined \$90,000 from the prior year to \$575,000.
- Secondary Roads Fund expenditures decreased by approximately \$231,000 from the prior year. Roadway construction decreased approximately \$100,000 due to a smaller project in the current fiscal year, road maintenance decreased approximately \$113,000 and there were machinery purchases in the current fiscal year. This decrease in expenditures resulted in an increase in the Secondary Roads Fund ending balance of approximately \$650,000, or 48%.

BUDGETARY HIGHLIGHTS

Over the course of the year, Ida County amended its budget once for \$18,072. The amendment was made in May 2005, and resulted in an increase in budgeted receipts and disbursements of the County Recorder's Electronic Transaction Fee Fund. The change was made because the State requested these funds for the development and usage of the State-wide Records Electronic system.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2005, Ida County had approximately \$3.9 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This is a net decrease (including additions and deletions) of approximately \$289,000, or 7%, from last year.

Capital Assets of Governmental Activities at Year End		
(Expressed in Thousands)		
	June 30,	
	2005	2004
Land	\$ 242	242
Construction in progress	20	-
Buildings and improvements	689	700
Equipment and vehicles	1,293	1,568
Infrastructure	1,611	1,634
Total	\$ 3,855	4,144

The County had depreciation expense of \$403,408 in FY 2005 and total accumulated depreciation of \$3,591,009 at June 30, 2005. More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

Long-Term Debt

At June 30, 2005, Ida County had no long-term debt. Information about the County's long-term liabilities is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Ida County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2006 budget, tax rates and fees charged for various County activities. In an ongoing effort to maintain County services without raising tax levies, the Ida County Board of Supervisors is committed to limiting expenditure increases, using excess balances and reducing funding to non-mandated programs to provide essential services for the citizens of Ida County.

Budgeted disbursements in the FY 2006 operating budget are approximately \$5.7 million, which is a 7% increase from the FY 2005 budget. These factors were taken into account when adopting the budget for fiscal year 2006. Valuations were raised by approximately \$4,000,000. The mental health levy was decreased due to the FY 2005 ending fund balance. The rural basic levy remained the same. Ida County has not added any major programs to the FY 2006 budget.

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.

Basic Financial Statements

Exhibit A

Ida County
Statement of Net Assets
June 30, 2005

	<u>Governmental Activities</u>
Assets	
Cash and pooled investments	\$ 3,619,408
Restricted cash and pooled investments	441,049
Receivables:	
Property tax:	
Delinquent	120
Succeeding year	1,807,000
Interest and penalty on property tax	182
Accounts	43,556
Accrued interest	16,863
Due from other governments	159,803
Inventories	376,675
Prepaid insurance	114,851
Capital assets (net of accumulated depreciation)	3,854,730
Total assets	<u>10,434,237</u>
Liabilities	
Accounts payable	197,267
Salaries and benefits payable	25,406
Due to other governments	95,695
Deferred revenue:	
Succeeding year property tax	1,807,000
Long-term liabilities:	
Portion due or payable within one year:	
Compensated absences	47,890
Portion due or payable after one year:	
Compensated absences	21,106
Estimated liability for closure and postclosure care	432,109
Total liabilities	<u>2,626,473</u>
Net Assets	
Invested in capital assets	3,854,730
Restricted for:	
Supplemental levy purposes	50,564
Mental health purposes	137,331
Secondary roads purposes	1,957,144
Other purposes	138,342
Unrestricted	1,669,653
Total net assets	<u>\$ 7,807,764</u>

See notes to financial statements.

Ida County
Statement of Activities
Year ended June 30, 2005

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
Functions/Programs:					
Governmental activities:					
Public safety and legal services	\$ 480,702	33,795	12,985	-	(433,922)
Physical health and social services	310,420	80,099	122,791	-	(107,530)
Mental health	610,672	-	327,815	-	(282,857)
County environment and education	445,809	239,536	89,770	-	(116,503)
Roads and transportation	1,926,082	10,915	1,664,948	20,013	(230,206)
Governmental services to residents	268,260	137,338	8,658	-	(122,264)
Administration	643,560	18,097	21,318	-	(604,145)
Non-program	13,753	14,322	-	-	569
Total	\$ 4,699,258	534,102	2,248,285	20,013	(1,896,858)
General Revenues:					
Property and other county tax levied for general purposes					1,793,267
Penalty and interest on property tax					16,325
State tax credits					130,319
Grants and contributions not restricted to specific purpose					21,335
Unrestricted investment earnings					87,327
Gain on sale of capital assets					3,700
Miscellaneous					1,731
Total general revenues					2,054,004
Change in net assets					157,146
Net assets beginning of year					7,650,618
Net assets end of year					\$ 7,807,764

See notes to financial statements.

Ida County
Balance Sheet
Governmental Funds

June 30, 2005

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Assets				
Cash and pooled investments	\$ 887,791	249,339	563,537	1,544,206
Restricted cash and pooled investments	-	-	-	-
Receivables:				
Property tax:				
Delinquent	102	18	-	-
Succeeding year	1,155,000	200,000	452,000	-
Interest and penalty on property tax	182	-	-	-
Accounts	18,430	-	24,843	210
Accrued interest	14,152	-	-	-
Due from other governments	17,183	-	-	142,620
Inventories	-	-	-	376,675
Prepaid insurance	58,518	-	6,948	48,978
Total assets	\$ 2,151,358	449,357	1,047,328	2,112,689
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 56,903	17,341	19,501	89,422
Salaries and benefits payable	9,264	-	612	15,341
Due to other governments	610	94,685	286	114
Deferred revenue:				
Succeeding year property tax	1,155,000	200,000	452,000	-
Other	284	18	-	-
Total liabilities	1,222,061	312,044	472,399	104,877
Fund balances:				
Reserved for:				
Supplemental levy purposes	50,564	-	-	-
Medicaid contingencies	669	-	-	-
Closure and postclosure care	-	-	-	-
Sheriff's surcharge	1,229	-	-	-
Unreserved, reported in				
General fund	876,835	-	-	-
Special revenue funds	-	137,313	574,929	2,007,812
Total fund balances	929,297	137,313	574,929	2,007,812
Total liabilities and fund balances	\$ 2,151,358	449,357	1,047,328	2,112,689

See notes to financial statements.

Nonmajor	Total
137,500	3,382,373
441,049	441,049
-	120
-	1,807,000
-	182
73	43,556
2,711	16,863
-	159,803
-	376,675
407	114,851
<u>581,740</u>	<u>6,342,472</u>
11,100	194,267
189	25,406
-	95,695
-	1,807,000
-	302
<u>11,289</u>	<u>2,122,670</u>
-	50,564
-	669
443,698	443,698
-	1,229
-	876,835
126,753	2,846,807
<u>570,451</u>	<u>4,219,802</u>
<u>581,740</u>	<u>6,342,472</u>

Ida County

Ida County

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

June 30, 2005

Total governmental fund balances (page 17) \$ 4,219,802

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 funds. The cost of assets is \$7,445,739 and the accumulated depreciation is \$3,591,009. 3,854,730

Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the funds. 302

The Internal Service Funds are used by management to charge the costs of partial self funding of the County's health insurance benefit plan to individual funds and to account for employee contributions and cafeteria plan benefit payments for the employee flexible benefits plan. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Assets. 234,035

Long-term liabilities, including the estimated liability for closure and postclosure care and compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the funds. (501,105)

Net assets of governmental activities (page 15) \$ 7,807,764

See notes to financial statements.

Ida County

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

Year ended June 30, 2005

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Revenues:				
Property and other county tax	\$ 1,140,868	204,694	448,518	-
Interest and penalty on property tax	16,512	-	-	-
Intergovernmental	291,589	424,600	84,340	1,729,381
Licenses and permits	9,392	-	-	515
Charges for service	267,472	-	154,119	-
Use of money and property	75,413	-	250	-
Miscellaneous	17,218	-	113	10,400
Total revenues	<u>1,818,464</u>	<u>629,294</u>	<u>687,340</u>	<u>1,740,296</u>
Expenditures:				
Operating:				
Public safety and legal services	480,795	-	-	-
Physical health and social services	318,038	-	-	-
Mental health	-	610,672	-	-
County environment and education	158,987	-	188,542	-
Roads and transportation	-	-	-	1,628,623
Governmental services to residents	233,460	-	-	-
Administration	586,357	-	-	-
Capital projects	-	-	-	53,982
Total expenditures	<u>1,777,637</u>	<u>610,672</u>	<u>188,542</u>	<u>1,682,605</u>
Excess (deficiency) of revenues over (under) expenditures	<u>40,827</u>	<u>18,622</u>	<u>498,798</u>	<u>57,691</u>
Other financing sources (uses):				
Operating transfers in	18,303	-	-	592,793
Operating transfers out	(54,296)	-	(589,044)	-
Total other financing sources (uses)	<u>(35,993)</u>	<u>-</u>	<u>(589,044)</u>	<u>592,793</u>
Net change in fund balances	4,834	18,622	(90,246)	650,484
Fund balances beginning of year	924,463	118,691	665,175	1,357,328
Fund balances end of year	<u>\$ 929,297</u>	<u>137,313</u>	<u>574,929</u>	<u>2,007,812</u>

See notes to financial statements.

Nonmajor	Total
-	1,794,080
-	16,512
26,230	2,556,140
-	9,907
14,906	436,497
9,411	85,074
8,658	36,389
59,205	4,934,599
-	480,795
-	318,038
-	610,672
13,250	360,779
-	1,628,623
34,761	268,221
26,481	612,838
-	53,982
74,492	4,333,948
(15,287)	600,651
50,547	661,643
(18,303)	(661,643)
32,244	-
16,957	600,651
553,494	3,619,151
570,451	4,219,802

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, 2005

Net change in fund balances - Total governmental funds (page 21) \$ 600,651

**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. Depreciation expense exceeded capital outlay expenditures and contributed capital assets in the current year, as follows:

Expenditures for capital assets	\$ 90,231	
Capital assets contributed by the Iowa Department of Transportation	20,013	
Depreciation expense	(403,408)	(293,164)

In the Statement of Activities, the gain on the sale of capital assets is reported whereas the governmental funds report the proceeds from the sale as an increase in financial resources. 3,700

Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are deferred in the governmental funds, as follows:

Property tax	(1,001)	
Other	(118,932)	(119,933)

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 governmental funds, as follows:

Compensated absences	2,589	
Estimated closure/postclosure care costs	(41,355)	(38,766)

The Internal Service Funds are used by management to charge the costs of partial self funding of the County's health insurance benefit plan to individual funds and to account for employee contributions and cafeteria plan benefit payments for the employee flexible benefits plan. The change in net assets of the Internal Service Funds is reported with governmental activities. 4,658

Change in net assets of governmental activities (page 15) \$ 157,146

See notes to financial statements.

Ida County
Statement of Net Assets
Proprietary Funds
June 30, 2005

	<u>Internal Service</u>
Assets	
Cash and cash equivalents	\$ 237,035
Liabilities	
Accounts payable	<u>3,000</u>
Net Assets	
Unrestricted	<u><u>\$ 234,035</u></u>

See notes to financial statements.

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

Year ended June 30, 2005

		<u>Internal Service</u>
Operating revenues:		
Reimbursements from operating funds		\$ 10,570
Employee contributions		13,513
Total operating revenues		<u>24,083</u>
Operating expenses:		
Medical claims	\$ 10,152	
Cafeteria plan benefits	12,976	23,128
Operating income		<u>955</u>
Non-operating revenues:		
Interest income		3,703
Net income		<u>4,658</u>
Net assets beginning of year		<u>229,377</u>
Net assets end of year		<u><u>\$ 234,035</u></u>

See notes to financial statements.

Ida County
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2005

	Internal Service
Cash flows from operating activities:	
Cash received from operating fund reimbursements	\$ 10,570
Cash received from employees	13,178
Cash paid for medical claims	(10,152)
Cash paid for cafeteria plan benefits	(12,976)
Net cash provided by operating activities	620
Cash flows from investing activities:	
Interest on investments	3,703
Net increase in cash and cash equivalents	4,323
Cash and cash equivalents beginning of year	232,712
Cash and cash equivalents end of year	\$ 237,035
 Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 955
Adjustment to reconcile operating income to net cash provided by operating activities:	
(Decrease) in accounts payable	(335)
Net cash provided by operating activities	\$ 620

See notes to financial statements.

Ida County
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2005

Assets

Cash and pooled investments:

County Treasurer	\$ 420,742
Other County officials	8,272

Receivables:

Property tax:

Delinquent	1,828
Succeeding year	5,810,000

Accounts	13,300
----------	--------

Due from other governments	10,001
----------------------------	--------

Total assets	<u>6,264,143</u>
---------------------	------------------

Liabilities

Accounts payable	9,171
------------------	-------

Salaries and benefits payable	6,261
-------------------------------	-------

Due to other governments	6,195,395
--------------------------	-----------

Trusts payable	2,401
----------------	-------

Compensated absences	50,915
----------------------	--------

Total liabilities	<u>6,264,143</u>
--------------------------	------------------

Net assets	<u>\$ -</u>
-------------------	-------------

See notes to financial statements.

Ida County

Notes to Financial Statements

June 30, 2005

(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 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 also 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 45 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, 2005 included five municipalities and the County. Ida County contributed \$337,625 and the municipalities contributed \$434,871 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 in an Agency Fund 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 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, Northwest Iowa Multicounty Regional Detention Center and Simpco.

B. Basis of Presentation

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

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

Invested in capital assets, 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, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The County reports the following major governmental funds:

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

Special Revenue:

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

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

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

Additionally, the County reports the following funds:

Proprietary Fund - Internal Service Funds are utilized to account for the financing of goods or services purchased by one department of the County and provided to other departments or agencies on a cost reimbursement basis.

Fiduciary Funds - Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days after year end.

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

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

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

The proprietary funds of the County applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's Internal Service Funds are charges to customers for sales and services. Operating expenses for Internal Service Funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the balance sheet:

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

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2003 assessed property valuations; is for the tax accrual period July 1, 2004 through June 30, 2005 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2004.

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

Due from 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 in the Special Revenue Funds consist of expendable supplies held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Capital Assets – Capital assets, which include property, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, curbs, gutters, sidewalks and similar items which are immovable and of value only to the government), are reported in the governmental activities column in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are

recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Infrastructure	\$ 50,000
Land 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
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 period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds as well as property tax receivable and other receivables not collected within sixty days after year end.

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

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, 2005. The compensated absences liability attributable to the governmental activities will be paid primarily by the General, Mental Health, Rural Services and Secondary Roads Funds.

Long-Term Liabilities – In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund Statement of Net Assets. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

Net Assets – The net assets of the Internal Service Funds are designated for anticipated future health care and cafeteria plan benefit costs of County employees.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2005, disbursements did not exceed the amounts budgeted or the amounts appropriated.

(2) Cash and Pooled Investments

The County's deposits in banks at June 30, 2005 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 no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 3, as amended by Statement No. 40.

(3) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2005 is as follows:

Transfer to	Transfer from	Amount
General	County Government Assistance	\$ 18,303
Special Revenue: Secondary Roads	General	54,296
	Special Revenue: Rural Services	538,497
Landfill Closure/Postclosure	Rural Services	50,547
Total		<u>\$ 643,340</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, 2005 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 241,692	-	-	241,692
Construction in progress, road network	-	20,013	-	20,013
Total capital assets not being depreciated	241,692	20,013	-	261,705
Capital assets being depreciated:				
Buildings	1,460,791	25,964	-	1,486,755
Equipment and vehicles	4,015,732	13,985	25,225	4,004,492
Infrastructure, road network	1,485,328	53,982	-	1,539,310
Infrastructure, other	153,477	-	-	153,477
Total capital assets being depreciated	7,115,328	93,931	25,225	7,184,034
Less accumulated depreciation for:				
Buildings	760,919	36,465	-	797,384
Equipment and vehicles	2,447,068	289,404	25,225	2,711,247
Infrastructure, road network	4,069	75,178	-	79,247
Infrastructure, other	770	2,361	-	3,131
Total accumulated depreciation	3,212,826	403,408	25,225	3,591,009
Total capital assets being depreciated, net	3,902,502	(309,477)	-	3,593,025
Governmental activities capital assets, net	\$ 4,144,194	(289,464)	-	3,854,730

Depreciation expense was charged to the following functions:

Governmental activities:		
County environment and education		\$ 42,402
Roads and transportation		328,916
Administration		32,090
		<u> </u>
Total depreciation expense - governmental activities		<u>\$ 403,408</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:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
General	Services	\$ 610
Special Revenue:		
Mental Health	Services	94,685
Rural Services	Services	286
Secondary Roads	Services	114
		<u>95,085</u>
Total for governmental funds		<u>\$ 95,695</u>
Agency:		
County Offices	Collections	\$ 6,199
Agricultural Extension Education		91,536
County Assessor		166,264
Schools		4,058,829
Community Colleges		221,083
Corporations		1,303,968
Townships		121,344
Auto License and Use Tax		142,407
All other		83,765
		<u> </u>
Total for agency funds		<u>\$ 6,195,395</u>

(6) Changes in Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2005 is as follows:

	Compen- sated Absences	Estimated Liability for Closure and Postclosure Care	Total
Balance beginning of year	\$ 71,585	390,754	462,339
Increases	65,733	41,355	107,088
Decreases	68,322	-	68,322
Balance end of year	\$ 68,996	432,109	501,105
Due within one year	\$ 47,890	-	47,890

(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 3.70% of their annual covered salary and the County is required to contribute 5.75% 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, 2005, 2004 and 2003 were \$102,999, \$101,020 and \$99,388, respectively, equal to the required contributions for each year.

(8) Risk Management

Ida 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 with over 509 members from 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 and inland marine. 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 300 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, 2005 were \$103,241.

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 \$250,000 per claim. Claims exceeding \$250,000 are reinsured in an amount not to exceed \$1,750,000 per claim and \$5,000,000 in the aggregate per year. For members requiring specific coverage from \$2,000,000 to \$10,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$100,000 each occurrence, each location, with excess coverage reinsured on an individual-member basis.

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, 2005, no liability has been recorded in the County's financial statements. As of June 30, 2005, 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.

(9) Employee Health Insurance Plan

The Internal Service, Employee Health Insurance Fund was established to account for the partial self funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Wellmark. The agreement is subject to automatic renewal provisions.

Monthly payments of service fees and plan contributions to the Employee Health Insurance Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Wellmark from the Employee Health Insurance Fund. The County's contribution for the year ended June 30, 2005 was \$10,570.

Amounts payable from the Employee Health Insurance Fund at June 30, 2005 total \$3,000, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior year and current year claims and to establish a reserve for catastrophic losses. That reserve was \$233,833 at June 30, 2005 and is reported as a designation of the Internal Service, Employee Health Insurance Fund net assets. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid claims beginning of year	\$ 3,000
Incurred claims (including claims incurred but not reported at June 30, 2005)	10,152
Payment on claims during the fiscal year	<u>(10,152)</u>
Unpaid claims end of year	<u>\$ 3,000</u>

(10) Cafeteria Plan

The County entered into a claims processing services agreement with American Family Life Assurance Company (AFLAC) to administer an employee flexible benefits plan adopted and administered in accordance with Sections 105, 125 and 129 of the Internal Revenue Code. The agreement was effective June 30, 1993 and is subject to automatic renewal provisions. Amounts withheld from employees are remitted to the Internal Service, Cafeteria Plan Fund maintained by the County Treasurer. Payments for reimbursement of plan benefits are made from the Internal Service, Cafeteria Plan Fund.

(11) Landfill Closure and Postclosure Care

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, 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 \$139,184 for closure and \$396,932 for postclosure care, for a total of \$536,116 as of June 30, 2005, and the portion of the liability that has been recognized is \$432,109. These amounts are based on what it would cost to perform all closure and postclosure care during the year ended June 30, 2005. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The estimated remaining life of the landfill is 1.67 years and the capacity used at June 30, 2005 is 83 percent.

Chapter 455B.306(8)(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 begun accumulating resources to fund these costs and, at June 30, 2005, assets of \$443,698 are restricted for these purposes, of which \$121,208 is for closure and \$322,490 is for postclosure care.

Also, pursuant to Chapter 567-111.3(3) of the Iowa Administrative Code (IAC), since the estimated closure and postclosure care costs are not fully funded, the County is required to demonstrate financial assurance for the unfunded costs. The County has adopted the dedicated fund mechanism.

Chapter 567-111.8(7) of the IAC allows a government to choose the dedicated fund mechanism to demonstrate financial assurance and use the accounts established to satisfy the closure and postclosure care account requirements. Accordingly, the landfill is not required to establish closure and post closure care accounts in addition to the accounts established to comply with the dedicated fund financial assurance mechanism.

(12) Solid Waste Tonnage Fees Retained

The County has established an account for restricting and using solid waste tonnage fees retained by the County. At June 30, 2005, the County had no unspent amounts retained or restricted for the required purposes.

(13) Ida County Public Safety and Communications Commission

Ida 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, 2005:

	Public Safety and Communications Commission				
	Operating	Confiscated Property	Sheriff's K-9 Fund	Sheriff's Reserve Deputy	Total
Additions:					
Contributions from governmental units:					
Ida County	\$ 337,625	-	-	-	337,625
Ida Grove	218,780	-	-	-	218,780
Holstein	136,850	-	-	-	136,850
Arthur	22,809	-	-	-	22,809
Galva	34,213	-	-	-	34,213
Battle Creek	22,219	-	-	-	22,219
	<u>772,496</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>772,496</u>
Miscellaneous:					
Communications Center reimbursement from Battle Creek	14,871	-	-	-	14,871
Prisoner boarding fees	22,678	-	-	-	22,678
Miscellaneous	5,301	2,013	7,669	1,072	16,055
	<u>42,850</u>	<u>2,013</u>	<u>7,669</u>	<u>1,072</u>	<u>53,604</u>
Total additions	<u>815,346</u>	<u>2,013</u>	<u>7,669</u>	<u>1,072</u>	<u>826,100</u>
Deductions:					
Salaries and wages	444,671	-	-	-	444,671
Benefits	196,655	-	-	-	196,655
Iowa system rental	3,575	-	-	-	3,575
Postage and mailing	8,895	-	-	-	8,895
Office supplies	22,029	-	-	-	22,029
Mileage and subsistence	539	-	-	-	539
Education and training	1,454	-	-	-	1,454
Uniform allowance	5,697	-	-	-	5,697
Insurance	5,182	-	-	-	5,182
Equipment maintenance and repair	34,005	-	-	-	34,005
Motor vehicles and equipment	17,662	-	-	-	17,662
Motor vehicle supplies	41,359	-	-	-	41,359
Radio equipment repair and maintenance	19,930	-	-	-	19,930
Investigations	662	-	-	-	662
Jail food and provisions	10,710	-	-	-	10,710
Jail supplies	1,591	-	-	-	1,591
Medical supplies	1,297	-	-	-	1,297
Improvements	1,438	-	-	-	1,438
Miscellaneous	845	-	17,253	-	18,098
Total deductions	<u>818,196</u>	<u>-</u>	<u>17,253</u>	<u>-</u>	<u>835,449</u>
Net	(2,850)	2,013	(9,584)	1,072	(9,349)
Balance beginning of year	67,641	1,409	11,331	-	80,381
Balance end of year	<u>\$ 64,791</u>	<u>3,422</u>	<u>1,747</u>	<u>1,072</u>	<u>71,032</u>

(14) Subsequent Event

The Ida County Solid Waste Management Commission plans to close all existing cells by October 1, 2007 in order to comply with minimum liner standards established by the Environmental Protection Agency and adopted by the Iowa Department of Natural Resources. Options are being considered by the County to determine further action.

Ida County

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, 2005

	Actual	Budgeted Amounts		Final to Actual Variance
		Original	Final	
Receipts:				
Property and other county tax	\$ 1,794,080	1,893,701	1,893,701	(99,621)
Interest and penalty on property tax	16,512	6,000	6,000	10,512
Intergovernmental	2,563,925	2,348,403	2,348,403	215,522
Licenses and permits	9,986	11,600	11,600	(1,614)
Charges for service	420,993	349,012	367,084	53,909
Use of money and property	75,636	36,750	36,750	38,886
Miscellaneous	36,136	25,500	25,500	10,636
Total receipts	4,917,268	4,670,966	4,689,038	228,230
Disbursements:				
Public safety and legal services	471,746	524,435	524,435	52,689
Physical health and social services	321,918	451,171	451,171	129,253
Mental health	589,021	598,262	598,262	9,241
County environment and education	337,746	436,040	436,040	98,294
Roads and transportation	1,660,458	2,111,000	2,111,000	450,542
Governmental services to residents	257,161	246,504	264,576	7,415
Administration	602,927	669,789	669,789	66,862
Capital projects	95,367	237,000	237,000	141,633
Total disbursements	4,336,344	5,274,201	5,292,273	955,929
Excess (deficiency) of receipts over (under) disbursements	580,924	(603,235)	(603,235)	1,184,159
Other financing sources, net	-	100	100	(100)
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	580,924	(603,135)	(603,135)	1,184,059
Balance beginning of year	3,242,498	2,231,331	2,231,331	1,011,167
Balance end of year	\$ 3,823,422	1,628,196	1,628,196	2,195,226

See accompanying independent auditor's report.

Ida County
 Budgetary Comparison Schedule - Budget to GAAP Reconciliation
 Required Supplementary Information
 Year ended June 30, 2005

	Governmental Funds		
	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis
Revenues	\$ 4,917,268	17,331	4,934,599
Expenditures	4,336,344	(2,396)	4,333,948
Net	580,924	19,727	600,651
Beginning fund balances	3,242,498	376,653	3,619,151
Ending fund balances	\$ 3,823,422	396,380	4,219,802

See accompanying independent auditor's report.

Ida County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2005

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 Internal Service Funds and Agency Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon 10 major classes of expenditures known as functions, not by fund or fund type. These 10 functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund 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 \$18,072. The budget amendment is reflected in the final budgeted amounts.

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

During the year ended June 30, 2005, disbursements did not exceed the amounts budgeted or the amounts appropriated.

Other Supplementary Information

Ida County
Combining Balance Sheet
Nonmajor Special Revenue Funds

June 30, 2005

	County Recorder's Records Management	County Government Assistance	Resource Enhancement and Protection
Assets			
Cash and pooled investments	\$ 4,865	89,802	14,617
Restricted cash and pooled investments	-	-	-
Receivables:			
Accounts			
Accrued interest	16	-	46
Prepaid Insurance	-	-	407
Total assets	\$ 4,881	89,802	15,070
Liabilities and Fund Equity			
Liabilities:			
Accounts payable	-	-	10
Salaries and benefits payable	-	-	189
Total liabilities	-	-	199
Fund equity:			
Fund balances:			
Reserved for closure and postclosure care	-	-	-
Unreserved	4,881	89,802	14,871
Total fund equity	4,881	89,802	14,871
Total liabilities and fund equity	\$ 4,881	89,802	15,070

See accompanying independent auditor's report.

Confiscated Funds - County Attorney	Landfill Closure/ Postclosure	Recorders Electronic Transaction Fee	Public Health Services Enhancement	Total
370	-	19,188	8,658	137,500
-	441,049	-	-	441,049
		73	-	73
-	2,649	-	-	2,711
-	-	-	-	407
370	443,698	19,261	8,658	581,740
-	-	11,090	-	11,100
-	-	-	-	189
-	-	11,090	-	11,289
-	443,698	-	-	443,698
370	-	8,171	8,658	126,753
370	443,698	8,171	8,658	570,451
370	443,698	19,261	8,658	581,740

Ida County

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

Year ended June 30, 2005

	County Recorder's Records Management	County Government Assistance	Resource Enhancement and Protection
Revenues:			
Intergovernmental	\$ -	17,530	8,700
Charges for service	1,760	-	-
Use of money and property	86	-	312
Miscellaneous	-	-	-
Total revenues	<u>1,846</u>	<u>17,530</u>	<u>9,012</u>
Expenditures:			
Operating:			
County environment and education	-	-	13,250
Governmental services to residents	5,600	-	-
Administration	-	26,481	-
Total expenditures	<u>5,600</u>	<u>26,481</u>	<u>13,250</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,754)</u>	<u>(8,951)</u>	<u>(4,238)</u>
Other financing sources (uses):			
Operating transfers in	-	-	-
Operating transfers out	-	(18,303)	-
Total other financing sources (uses)	<u>-</u>	<u>(18,303)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>(3,754)</u>	<u>(27,254)</u>	<u>(4,238)</u>
Fund balances beginning of year	<u>8,635</u>	<u>117,056</u>	<u>19,109</u>
Fund balances end of year	<u>\$ 4,881</u>	<u>89,802</u>	<u>14,871</u>

See accompanying independent auditor's report.

Confiscated Funds - County Attorney	Landfill Closure/ Postclosure	Recorders Electronic Transaction Fee	Public Health Services Enhancement	Total
-	-	-	-	26,230
-	-	13,146	-	14,906
-	8,676	337	-	9,411
-	-	-	8,658	8,658
-	8,676	13,483	8,658	59,205
-	-	-	-	13,250
-	-	29,161	-	34,761
-	-	-	-	26,481
-	-	29,161	-	74,492
-	8,676	(15,678)	8,658	(15,287)
-	50,547	-	-	50,547
-	-	-	-	(18,303)
-	50,547	-	-	32,244
-	59,223	(15,678)	8,658	16,957
370	384,475	23,849	-	553,494
370	443,698	8,171	8,658	570,451

Schedule 3

Ida County
Combining Schedule of Net Assets
Internal Service Funds

June 30, 2005

	Employee Health Insurance	Cafeteria Plan	Total
Assets			
Cash and cash equivalents	\$ 236,833	202	237,035
Liabilities			
Accounts payable	3,000	-	3,000
Net assets			
Unrestricted	\$ 233,833	202	234,035

See accompanying independent auditor's report.

Ida County

Combining Schedule of Revenues, Expenses and
Changes in Fund Net Assets
Internal Service Funds

Year ended June 30, 2005

	Employee Health Insurance	Cafeteria Plan	Total
Operating revenues:			
Charges for service:			
Reimbursements from operating funds	\$ 10,570	-	10,570
Employee contributions	-	13,513	13,513
Total operating revenues	10,570	13,513	24,083
Operating expenses:			
Medical claims	10,152	-	10,152
Cafeteria plan benefits	-	12,976	12,976
Total operating expenses	10,152	12,976	23,128
Operating income	418	537	955
Non-operating revenues:			
Interest on investments	3,703	-	3,703
Net income	4,121	537	4,658
Net assets (deficit) beginning of the year	229,712	(335)	229,377
Net assets end of year	\$ 233,833	202	234,035

See accompanying independent auditor's report.

Schedule 5

Ida County
Combining Schedule of Cash Flows
Internal Service Funds

Year ended June 30, 2005

	Employee Health Insurance	Cafeteria Plan	Total
Cash flows from operating activities:			
Cash received from operating funds	\$ 10,570	-	10,570
Cash received from employees	-	13,178	13,178
Cash paid for medical claims	(10,152)	-	(10,152)
Cash paid for cafeteria plan benefits	-	(12,976)	(12,976)
Net cash provided by operating activities	418	202	620
Cash flows from investing activities			
Interest on investments	3,703	-	3,703
Net increase in cash and cash equivalents	4,121	202	4,323
Cash and cash equivalents at beginning of year	232,712	-	232,712
Cash and cash equivalents at end of year	\$ 236,833	202	237,035
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 418	537	955
Adjustment to reconcile operating income to net cash provided by operating activities:			
(Decrease) in accounts payable	-	(335)	(335)
Net cash provided by operating activities	\$ 418	202	620

See accompanying independent auditor's report.

Ida County

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

June 30, 2005

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash and pooled investments:				
County Treasurer	\$ -	1,528	71,915	67,397
Other County officials	8,272	-	-	-
Receivables:				
Property tax:				
Delinquent	-	8	9	432
Succeeding year	-	90,000	99,000	3,991,000
Accounts	328	-	19	-
Due from other governments	-	-	-	-
Total assets	\$ 8,600	91,536	170,943	4,058,829
Liabilities				
Accounts payable	\$ -	-	434	-
Salaries and benefits payable	-	-	-	-
Due to other governments	6,199	91,536	166,264	4,058,829
Trusts payable	2,401	-	-	-
Compensated absences	-	-	4,245	-
Total liabilities	\$ 8,600	91,536	170,943	4,058,829

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Other	Total
3,063	10,609	2,344	1,476	142,407	120,003	420,742
-	-	-	-	-	-	8,272
20	1,359	-	-	-	-	1,828
218,000	1,292,000	119,000	-	-	1,000	5,810,000
-	-	-	-	-	12,953	13,300
-	-	-	-	-	10,001	10,001
221,083	1,303,968	121,344	1,476	142,407	143,957	6,264,143
-	-	-	-	-	8,737	9,171
-	-	-	-	-	6,261	6,261
221,083	1,303,968	121,344	1,476	142,407	82,289	6,195,395
-	-	-	-	-	-	2,401
-	-	-	-	-	46,670	50,915
221,083	1,303,968	121,344	1,476	142,407	143,957	6,264,143

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

Year ended June 30, 2005

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets and Liabilities				
Balances beginning of year	\$ 7,598	90,414	179,398	3,978,615
Additions:				
Property and other county tax	-	89,839	98,459	3,987,917
E911 surcharge	-	-	-	-
State tax credits	-	6,515	7,147	286,201
Drivers license fees	-	-	-	-
Office fees and collections	174,189	-	-	-
Electronic transaction fees	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	77,316	-	-	-
Miscellaneous	-	-	926	-
Total additions	251,505	96,354	106,532	4,274,118
Deductions:				
Agency remittances:				
To other funds	101,484	-	-	-
To other governments	70,422	95,232	114,987	4,193,904
Trusts paid out	78,597	-	-	-
Total deductions	250,503	95,232	114,987	4,193,904
Balances end of year	\$ 8,600	91,536	170,943	4,058,829

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Other	Total
179,166	1,251,887	120,268	-	163,922	231,830	6,203,098
217,386	1,289,215	119,122	-	-	1,004	5,802,942
-	-	-	-	-	71,205	71,205
12,982	96,824	8,223	-	-	89	417,981
-	-	-	-	18,523	-	18,523
-	-	-	-	-	-	174,189
-	-	-	-	-	2,811	2,811
-	-	-	-	1,909,257	-	1,909,257
-	-	-	20,527	-	-	20,527
-	-	-	-	-	-	77,316
-	-	-	-	-	924,879	925,805
230,368	1,386,039	127,345	20,527	1,927,780	999,988	9,420,556
-	-	-	-	79,367	-	180,851
188,451	1,333,958	126,269	19,051	1,869,928	1,087,861	9,100,063
-	-	-	-	-	-	78,597
188,451	1,333,958	126,269	19,051	1,949,295	1,087,861	9,359,511
221,083	1,303,968	121,344	1,476	142,407	143,957	6,264,143

Schedule 8

Ida County

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

For the Last Five Years

	Modified Accrual Basis				
	2005	2004	2003	2002	2001
Revenues:					
Property and other county tax	\$ 1,794,080	1,781,461	1,753,654	1,711,400	1,764,020
Interest and penalty on property tax	16,512	15,886	13,930	14,823	17,467
Intergovernmental	2,556,140	2,401,989	2,277,734	2,457,162	2,381,672
Licenses and permits	9,907	8,545	8,877	6,665	7,583
Charges for service	436,497	413,286	336,877	357,731	306,442
Use of money and property	85,074	46,471	77,434	116,107	245,255
Fines, forfeitures and defaults	-	-	-	224	814
Miscellaneous	36,389	2,491	37,749	29,538	12,174
Total	\$ 4,934,599	4,670,129	4,506,255	4,693,650	4,735,427
Expenditures:					
Operating:					
Public safety and legal services	\$ 480,795	478,252	462,695	446,205	391,722
Physical health and social services	318,038	403,786	414,539	415,643	399,138
Mental health	610,672	585,812	600,863	590,865	596,809
County environment and education	360,779	428,899	352,426	333,195	339,395
Roads and transportation	1,628,623	1,760,485	2,129,355	1,867,319	1,727,312
Governmental services to residents	268,221	226,212	218,386	197,742	177,693
Administration	612,838	569,878	521,064	498,273	486,639
Capital projects	53,982	153,477	447,737	71,441	282,783
Total	\$ 4,333,948	4,606,801	5,147,065	4,420,683	4,401,491

See accompanying independent auditor's report.

**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**

Ida County



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

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

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, 2005, which collectively comprise the County's basic financial statements listed in the table of contents, and have issued our report thereon dated February 9, 2006. 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 in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Ida County's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we believe item A is a material weakness.

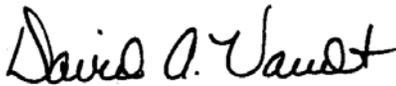
Compliance and Other Matters

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, 2005 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.

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

February 9, 2006

Ida County

Ida County
 Schedule of Findings
 Year ended June 30, 2005

Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

REPORTABLE CONDITIONS:

(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:

	Applicable Offices
(1) A list of money and checks received is not prepared and compared to cash receipt records.	Treasurer, Recorder and Sheriff
(2) Responsibilities for collection, deposit preparation and reconciliation functions are not segregated from those for recording and accounting of cash receipts.	Treasurer, Recorder and Sheriff
(3) Investment – custody and accounting functions are not segregated and investments are not reviewed by an independent person.	Treasurer
(4) Cash - 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.	Treasurer, Recorder and Sheriff
(5) Checks should be signed by an individual who does not otherwise participate in the preparation of the checks, handling or recording cash receipts.	Recorder

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.

Ida County

Schedule of Findings

Year ended June 30, 2005

Response – County-wide, we will try to do a better job of these recommendations, but with such a small staff who work in each department it is difficult to segregate duties. We do attempt to change who does what on occasion and provide compensating controls where feasible.

Conclusion – Response accepted.

- (B) Landfill Receipts – Although pre-numbered receipts are issued at the landfill, an independent review should be done to ensure all receipts are accounted for.

In addition, personal checks were written and exchanged for cash from landfill receipts.

Also, landfill collections are not deposited on a timely basis with the County Treasurer.

Recommendation – An independent review should be completed to ensure all receipts have been accounted for and deposited. The cashing of personal checks for cash should be prohibited. In addition, to safeguard cash and increase funds available for investment, receipts should be recorded and deposited intact on a timely basis.

Response – County personnel will work on the above recommendations. We will try to keep the cash and checks in a locked and secured place. In addition we will check with the Board to see if the landfill can have a county cash fund.

Conclusion – Response acknowledged. An independent review should also be completed to ensure all receipts have been accounted for and deposited. In addition, the cashing of personal checks for cash should be prohibited.

- (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. The County does not have a written policy requiring personnel who share the same computer terminal to log-on and log-off prior to other personnel entering transactions on the same terminal.

Recommendation – The County should develop written policies addressing the above items in order to improve the County’s control over computer based systems. 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 -

Treasurer - We will attempt to comply with this suggestion in Motor Vehicle Dept. and Driver’s License Dept. For miscellaneous receipts, it is done by batch – not by person in cash receipting.

Board of Supervisors – The County will attempt to develop written policies addressing the above items in order to improve the County’s control over computer based systems.

Conclusion – Response accepted.

Ida County

Schedule of Findings

Year ended June 30, 2005

- (D) Public Health Nurse Receivables – Accounts receivable listings are retained at the end of each month. However, a monthly reconciliation of billings, collections and accounts receivable for Medicare, Medicaid and other reimbursements was not prepared. In addition, uncollectible accounts written off during the year were not approved by the Local Board of Health.

Recommendation – A reconciliation of billings, collections and accounts receivable should be prepared monthly. In addition, the Local Board of Health should review and approve all write-offs of uncollectible accounts.

Response – County will try to comply.

Conclusion – Response accepted.

- (E) Timesheets – Certain salaried personnel, other than elected officials, do not prepare and file timesheets.

Recommendation – Except for elected officials, timesheets should be prepared by all personnel, salaried as well as hourly, and should be submitted to the County Auditor's office prior to the processing of payroll each pay period. The timesheets should be signed by the employee and should be reviewed and signed by the employee's immediate supervisor prior to submission. The timesheets should support all hours worked and taken as vacation, sick leave, compensatory time, holiday hours and personal days. For internal control, as well as for potential legal claims (payroll dispute/grievance), time sheets would provide an accurate record of hours worked.

Response – All salaried personnel, including the County Engineer, office personnel, and future technical personnel, are now filling out time sheets each pay period and will continue.

Conclusion – Response accepted.

- (F) Capital Assets – Detailed capital asset records are maintained. However, an independent person does not reconcile significant assets with the accounting records, including the detail and control accounts.

Recommendation – A listing of capital asset additions and deletions should be prepared and a system for independent review and reconciliation should be developed. Information should include appropriate details to ensure assets are properly included or deleted from the capital assets records timely.

Response – A listing of capital asset additions and deletions will be prepared and a system for independent review and reconciliation will be developed. Information will include details to ensure that assets are properly included or deleted from the capital assets records in a timely manner.

Conclusion – Response accepted.

Ida County

Schedule of Findings

Year ended June 30, 2005

Other Findings Related to Required Statutory Reporting:

- (1) Official Depositories – A resolution naming official depositories has been adopted by the Board. The maximum deposit amounts stated in the resolution were not exceeded during the year.
- (2) Certified Budget – Disbursements during the year ended June 30, 2005 did not exceed the amounts budgeted or the amounts appropriated.
- (3) 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.
- (4) Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- (5) Business Transactions – No business transactions between the County and County officials or employees were noted.
- (6) Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount should be reviewed annually to ensure the coverage is adequate for current operations.
- (7) Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- (8) 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.
- (9) 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).
- (10) Solid Waste Fees Retainage – During the year ended June 30, 2005, the County retained the solid waste fees in accordance with Chapter 455B.310 of the Code of Iowa.

Ida County

Schedule of Findings

Year ended June 30, 2005

- (11) Financial Assurance – Ida County has demonstrated financial assurance for closure and postclosure care by establishing a local government dedicated fund as provided in Chapter 111.6(8) of the Iowa Administrative Code. The calculation is made as follows:

	Closure	Postclosure Care
Total estimated costs for closure and postclosure care	\$ 139,184	396,932
Less: Balance of funds held in the local dedicated fund at June 30, 2004	108,489	275,986
	30,695	120,946
Divided by the number of years remaining in the pay-in period	÷ 3	3
Required payment into the local dedicated fund for the year ended June 30, 2005	10,232	40,315
Balance of funds held in the local dedicated fund at June 30, 2004	108,489	275,986
Required balance of funds to be held in the local dedicated fund at June 30, 2005	\$ 118,721	316,301
Amount County has reserved for closure and postclosure care at June 30, 2005	\$ 121,208	322,490

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

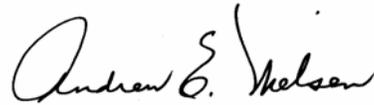
Disbursements during the year ended June 30, 2005 for the County Extension Office did not exceed the amount budgeted.

Ida County

Staff

This audit was performed by:

Michelle B. Meyer, CPA, Manager
Timothy D. Houlette, CPA, Senior Auditor
Jessica L. Christensen, Assistant Auditor
Rick W. Reeves, Assistant Auditor
Jenny B. Wall, Assistant Auditor

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

Andrew E. Nielsen, CPA
Deputy Auditor of State