



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Mary Mosiman, CPA
Auditor of State

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NEWS RELEASE

FOR RELEASE

May 23, 2016

Contact: Andy Nielsen
515/281-5834

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

The County had local tax revenue of \$11,772,496 for the year ended June 30, 2015, which included \$927,410 in tax credits from the state. The County forwarded \$9,110,259 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$2,662,237 of the local tax revenue to finance County operations, a 4.65% increase over the prior year. Other revenues included charges for service of \$449,786, operating grants, contributions and restricted interest of \$2,423,142, capital grants, contributions and restricted interest of \$461,370, local option sales tax of \$295,104, unrestricted investment earnings of \$12,023 and other general revenues of \$107,154.

Expenses for County operations for the year ended June 30, 2015 totaled \$6,157,614, a 21.71% increase over the prior year. Expenses included \$3,653,942 for roads and transportation, \$699,510 for public safety and legal services and \$628,883 for administration.

A copy of the audit report is available for review in the County Auditor's Office, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1510-0047-B00F>.

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IDA COUNTY
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS
JUNE 30, 2015

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**Ida County
Officials**

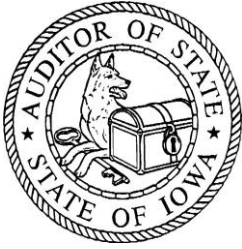
(Before January 2015)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Allen Hilker	Board of Supervisors	(Deceased Jul 2014)
Rhett Leonard (Appointed Aug 2014)	Board of Supervisors	Nov 2014
Joseph L. Cronin	Board of Supervisors	Jan 2017
Robert C. Paulsrud	Board of Supervisors	Jan 2017
Lorna Steenbock	County Auditor	Jan 2017
Kay Cork	County Treasurer	Jan 2015
Julie Phillips	County Recorder	Jan 2015
Wade Harriman	County Sheriff	Jan 2017
Meghann Cosgrove-Whitmer	County Attorney	Jan 2015
Marva Bennigsdorf	County Assessor	Jan 2016

(After January 2015)

Joseph L. Cronin	Board of Supervisors	Jan 2017
Robert C. Paulsrud	Board of Supervisors	Jan 2017
Rhett Leonard	Board of Supervisors	Jan 2019
Lorna Steenbock	County Auditor	Jan 2017
Traci Riessen	County Treasurer	Jan 2019
Julie Phillips	County Recorder	Jan 2019
Wade Harriman	County Sheriff	Jan 2017
Meghann Cosgrove-Whitmer	County Attorney	Jan 2019
Marva Bennigsdorf	County Assessor	Jan 2016

Ida County



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Independent Auditor's Report

To the Officials of Ida County:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Ida County, Iowa, as of and for the year ended June 30, 2015, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Ida County as of June 30, 2015, and the respective changes in its financial position thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of a Matter

As discussed in Note 17, Ida County adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County Contributions and the Schedule of Funding Progress for the Retiree Health Plan on pages 9 through 15 and 52 through 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.


Supplementary Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Ida County's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2014 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 9, 2016 on our consideration of Ida County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Ida County's internal control over financial reporting and compliance.


MARY MOSIMAN, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

May 9, 2016

Ida County

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, 2015. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2015 FINANCIAL HIGHLIGHTS

- The County implemented Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27, during fiscal year 2015. The beginning net position for governmental activities was restated \$1,279,927 to retroactively report the net pension liability as of July 1, 2014 and deferred outflows of resources related to contributions made after June 30, 2013 but prior to July 1, 2014. Pension expense for fiscal year 2014 and the net pension liability, deferred outflows of resources and deferred inflows of resources at June 30, 2014 were not restated because the information needed to restate those amounts was not available.
- The County's governmental activities revenues increased 11.5%, or approximately \$659,000, from fiscal year 2014 to fiscal year 2015. Property tax and other county tax increased approximately \$83,000, operating grants, contributions and restricted interest increased approximately \$115,000, capital grants, contributions and restricted interest increased approximately \$348,000, charges for service increased approximately \$73,000 and local option sales tax increased approximately \$39,000.
- The County's governmental activities expenses decreased approximately \$1,099,000, or 21.7%, in fiscal year 2015 from fiscal year 2014. Roads and transportation expenses increased approximately \$981,000 and mental health expenses increased approximately \$107,000.
- The County's net position at June 30, 2015 increased 1.8%, or approximately \$253,000, over the restated June 30, 2014 balance.

USING THIS ANNUAL REPORT

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

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

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

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Ida County's operations in more detail than the government-wide financial statements by providing information about the most significant funds. The remaining financial statements provide 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, the County's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Funding Progress for the Retiree Health Plan.

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

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

The Statement of Net Position presents financial information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in the County's net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

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

Fund Financial Statements

The County has two kinds of funds:

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

The required financial statements for governmental funds include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

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

The required financial statement for fiduciary funds is a Statement of Fiduciary Assets and Liabilities.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. The analysis that follows focuses on the changes in the net position of governmental activities.

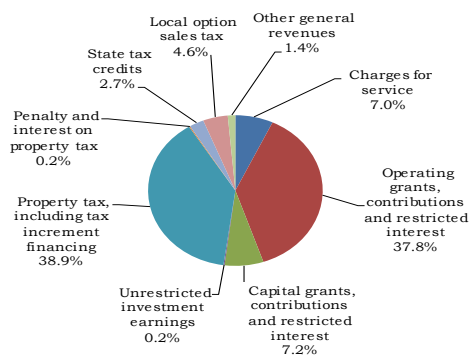
Net Position of Governmental Activities (Expressed in Thousands)		
	Year ended June 30,	
	2015	2014 (Not Restated for GASB Statement No. 68)
Current and other assets	\$ 7,137	7,486
Capital assets	13,108	12,316
Total assets	<u>20,245</u>	<u>19,802</u>
Deferred outflows of resources	230	-
Long-term liabilities	1,176	431
Other liabilities	1,872	1,369
Total liabilities	<u>3,048</u>	<u>1,800</u>
Deferred inflows of resources	2,930	2,478
Net position:		
Invested in capital assets	13,093	12,296
Restricted	3,084	3,287
Unrestricted	(1,680)	(59)
Total net position	<u>\$ 14,497</u>	<u>15,524</u>

Prior to the GASB Statement No. 68 restatement, the net position of Ida County's governmental activities decreased 6.6% (approximately \$15.5 million compared to approximately \$14.5 million). The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, intangibles, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased from a deficit of approximately \$59,000 at June 30, 2014 to a deficit of approximately \$1,680,000 at June 30, 2015. The decrease is due primarily to reporting the net pension liability as of July 1, 2014 as well as the amount owed to the Iowa Department of Transportation for the Farm to Market account.

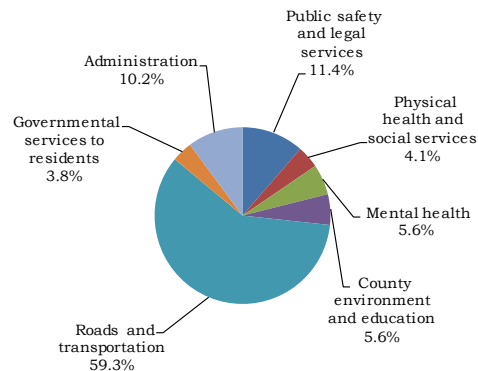
Changes in Net Position of Governmental Activities
(Expressed in Thousands)

	Year ended June 30,	
	2015	2014 (Not Restated for GASB Statement No. 68)
Revenues:		
Program revenues:		
Charges for service	\$ 450	377
Operating grants, contributions and restricted interest	2,423	2,308
Capital grants, contributions and restricted interest	461	113
General revenues:		
Property tax, including tax increment financing	2,490	2,407
Penalty and interest on property tax	15	15
State tax credits	173	137
Local option sales tax	295	256
Unrestricted investment earnings	12	13
Other general revenues	92	126
Total revenues	6,411	5,752
Program expenses:		
Public safety and legal services	700	715
Physical health and social services	253	245
Mental health	345	238
County environment and education	342	309
Roads and transportation	3,654	2,673
Governmental services to residents	235	233
Administration	629	646
Total expenses	6,158	5,059
Change in net position	253	693
Net position beginning of year, as restated	14,244	14,831
Net position end of year	\$ 14,497	15,524

Revenues by Source



Expenses by Program



Taxable valuations increased approximately 6.7% for county wide levies. As a result, property and other county tax revenue increased approximately \$83,000 in fiscal year 2015.

INDIVIDUAL MAJOR FUND ANALYSIS

As Ida County completed the year, its governmental funds reported a combined fund balance of \$2,589,718, a decrease of \$411,388 from last year's total of \$3,001,106. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues increased \$33,897, or 1.6%, over the prior year. The increase in revenues is primarily due to an increase in intergovernmental revenues from fiscal year 2014 to 2015. General Fund expenditures increased \$107,781, or 5.2%, when compared to the prior year. The ending fund balance decreased \$110,115 from the prior year to \$1,262,029.
- The County has continued to look for ways to effectively manage the cost of mental health services. For the year, Special Revenue, Mental Health Fund expenditures totaled \$344,855, an increase of 44.6% over the prior year. Revenues totaled \$333,505, a decrease of 2.1%, or \$7,170, from the previous fiscal year due to a decrease in property tax and other county tax revenue. The Special Revenue, Mental Health Fund balance at year end decreased \$11,350 from the prior year to \$270,557.
- Special Revenue, Rural Services Fund revenues increased \$84,743, due primarily to an increase in property tax and local option sales tax. Total expenditures increased \$14,511 when compared to the prior year. The ending fund balance decreased \$12,354 from the prior year to \$666,873.
- Special Revenue, Secondary Roads Fund revenues increased \$557,293, or 25.4%, over the prior year. The revenue increase is primarily due to additional intergovernmental grants received to help with the cost of road projects. Total expenditures increased \$300,021 from the prior year, primarily due to an increase in road maintenance projects. The Secondary Roads Fund ending balance increased \$25,351 from the prior year to \$1,555,778.
- Special Revenue, Ida County Urban Renewal Fund revenues increased \$48,650, or 38.5%, from the prior year. The increase is due to an increase in tax increment financing revenue. The ending fund balance decreased \$287,310 from the prior year to \$(1,577,094). This decrease is due to the \$287,310 increase in the interfund loan from the Special Revenue, Secondary Roads Fund.
- The Special Revenue, Arthur Ethanol Donation Fund accounts for payments from Platinum Ethanol, LLC as a result of a private development agreement. The annual contribution of \$25,000 was received January 30, 2015.

BUDGETARY HIGHLIGHTS

In fiscal year 2015, Ida County did not amend its budget.

The County's receipts were \$166,650 more than budgeted, a variance of 2.8%.

Total disbursements were \$1,103,236 less than budgeted. Actual disbursements for the capital projects, public safety and legal services and physical health and social services functions were \$778,644, \$94,256 and \$65,652, respectively, less than budgeted. The capital projects function had been budgeted for several secondary road projects but these projects were not completed. In the public safety and legal services function, less was spent than anticipated on emergency services and court related services. The physical health and social services function was less than budgeted due to less being spent on youth guidance and sanitarian costs than anticipated.

The County did not exceed the amounts budgeted by function during fiscal year 2015.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2015, Ida County had approximately \$13.1 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This is a net increase (including additions and deletions) of approximately \$792,000, or 6.4%, from last year.

Capital Assets of Governmental Activities at Year End (Expressed in Thousands)		
	June 30,	
	2015	2014
Land	\$ 242	242
Construction in progress	845	429
Buildings and improvements	763	811
Equipment and vehicles	1,960	1,534
Infrastructure	9,298	9,300
Total	\$ 13,108	12,316

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

Capital assets contributed by the		
Iowa Department of Transportation	\$	461
Two John Deere motor graders		513
Caterpillar 320 ELH2		191
Total	\$	1,165

The County had depreciation expense of \$879,104 in fiscal year 2015 and total accumulated depreciation of \$7,339,411 at June 30, 2015. More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

At June 30, 2015, Ida County had \$15,000 of capital lease purchase agreement general obligation long-term debt outstanding. Additional information about the County's long-term debt is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Ida County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2016 budget, tax rates and fees charged for various County activities. These factors were considerations for the fiscal year 2016 budget, which certified taxes as follows: (The amounts certified include utility replacement and property tax dollars.)

Levy	2016	2015	Percentage Change
	Dollars Certified	Dollars Certified	
General basic	\$ 1,655,415	1,622,137	2.05%
Mental health	100,328	294,934	-65.98%
Rural services basic	559,254	543,804	2.84%
Total	\$ 2,314,997	2,460,875	-5.93%

As taxable valuations have increased over the past couple of years, the County was able to roll back the mental health tax levy for fiscal year 2016, which resulted in a decrease in the overall expected tax collections. No new services were added to the fiscal year 2016 budget. Levy rates (expressed in \$/\$1,000 of taxable valuation) to produce the above dollars for fiscal years 2015 and 2016 are as follows:

Levy Rate	2016	2015	Percentage Change
General basic	\$ 3.30000	3.30000	0.00%
Mental health	0.20000	0.60000	-66.67%
Rural services basic	1.50000	1.50000	0.00%
Total	\$ 5.00000	5.40000	-7.41%

Budgeted disbursements in the fiscal year 2016 operating budget are approximately \$7 million, which is a 2.8% decrease from the fiscal year 2015 final budget of approximately \$7.2 million. Total taxable valuations increased approximately \$10.1 million. There was no general supplemental levy for fiscal year 2016. The general basic levy rate remained consistent and the mental health levy rate decreased 66.7%.

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

Ida County
Statement of Net Position
June 30, 2015

	Primary Government	Component Unit
	Governmental Activities	Ida County Conservation Foundation
Assets		
Cash and pooled investments	\$ 3,296,820	7,300
Restricted cash and pooled investments	345,297	-
Receivables:		
Succeeding year property tax	2,155,000	-
Succeeding year tax increment financing	167,000	-
Accounts	327,023	-
Accrued interest	2,819	-
Due from other governments	324,619	-
Inventories	464,915	-
Prepaid insurance	53,448	-
Capital assets, net of accumulated depreciation	13,107,830	-
Total assets	20,244,771	7,300
Deferred Outflows of Resources		
Pension related deferred outflows	229,881	-
Liabilities		
Accounts payable	532,832	-
Salaries and benefits payable	60,336	-
Due to other governments	1,278,461	-
Long-term liabilities:		
Portion due or payable within one year:		
Capital lease purchase agreement	5,000	-
Compensated absences	25,484	-
Estimated liability for closure and postclosure care	14,060	-
Portion due or payable after one year:		
Capital lease purchase agreement	10,000	-
Compensated absences	14,768	-
Estimated liability for closure and postclosure care	311,044	-
Net pension liability	759,602	-
Net OPEB liability	36,100	-
Total liabilities	3,047,687	-
Deferred Inflows of Resources		
Unavailable property tax revenue	2,155,000	-
Unavailable tax increment financing revenue	167,000	-
Pension related deferred inflows	607,716	-
Total deferred inflows of resources	2,929,716	-
Net Position		
Net investment in capital assets	13,092,830	-
Restricted for:		
Supplemental levy purposes	51,337	-
Mental health purposes	270,557	-
Rural services purposes	666,873	-
Secondary roads purposes	1,518,721	-
Closure and postclosure care	20,193	-
Other purposes	556,917	7,300
Unrestricted	(1,680,179)	-
Total net position	\$ 14,497,249	7,300

See notes to financial statements.

Ida County

Statement of Activities

Year ended June 30, 2015

	Program Revenues			
	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	\$ 699,510	66,032	17,876	-
Physical health and social services	253,095	19,936	93,308	-
Mental health	344,778	-	35,261	-
County environment and education	342,007	48,351	32,917	-
Roads and transportation	3,653,942	110,060	2,243,780	461,370
Governmental services to residents	235,399	154,172	-	-
Administration	628,883	51,235	-	-
Total primary government	\$ 6,157,614	449,786	2,423,142	461,370
Component Unit:				
Ida County Conservation Foundation	\$ 42,563	-	43,904	-
General Revenues:				
Property and other county tax levied for general purposes				
Tax increment financing				
Penalty and interest on property tax				
State tax credits				
Local option sales tax				
Unrestricted investment earnings				
Gain on disposition of capital assets				
Miscellaneous				
Total general revenues				
Change in net position				
Net position beginning of year, as restated				
Net position end of year				

See notes to financial statements.

Net (Expense) Revenue and Changes in Net Position	
Primary Government	Component Unit
	Ida County Conservation Foundation
(615,602)	
(139,851)	
(309,517)	
(260,739)	
(838,732)	
(81,227)	
(577,648)	
<u>(2,823,316)</u>	
	<u>1,341</u>
2,313,691	-
175,014	-
14,941	-
172,761	-
295,104	-
12,794	-
89,995	-
2,218	-
<u>3,076,518</u>	<u>-</u>
253,202	1,341
<u>14,244,047</u>	<u>5,959</u>
<u>\$ 14,497,249</u>	<u>7,300</u>

Ida County
Balance Sheet
Governmental Funds

June 30, 2015

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Assets				
Cash and pooled investments	\$ 1,268,732	235,380	642,493	1,083,774
Restricted cash and pooled investments	-	-	-	-
Receivables:				
Succeeding year property tax	1,536,000	93,000	526,000	-
Succeeding year tax increment financing	-	-	-	-
Accounts	773	-	1,250	-
Accrued interest	2,697	-	-	-
Due from other governments	66,725	35,177	23,719	198,998
Advance to other fund	-	-	-	1,577,094
Inventories	-	-	-	464,915
Prepaid insurance	37,878	-	955	13,878
Total assets	\$ 2,912,805	363,557	1,194,417	3,338,659
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 52,127	-	1,397	478,893
Salaries and benefits payable	30,311	-	-	29,418
Due to other governments	3,744	-	147	1,274,570
Advance from other fund	-	-	-	-
Total liabilities	86,182	-	1,544	1,782,881
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	1,536,000	93,000	526,000	-
Succeeding year tax increment financing	-	-	-	-
Other	28,594	-	-	-
Total deferred inflows of resources	1,564,594	93,000	526,000	-
Fund balances:				
Nonspendable:				
Inventories	-	-	-	464,915
Prepaid insurance	37,878	-	955	13,878
Restricted for:				
Supplemental levy purposes	51,337	-	-	-
Mental health purposes	-	270,557	-	-
Rural services purposes	-	-	665,918	-
Secondary roads purposes	-	-	-	1,076,985
Landfill closure and postclosure care	-	-	-	-
Other purposes	165,639	-	-	-
Assigned for:				
Legal services	43,710	-	-	-
Public safety	800	-	-	-
Courthouse maintenance	27,000	-	-	-
Computer equipment	72,171	-	-	-
Conservation	10,582	-	-	-
Unassigned	852,912	-	-	-
Total fund balances	1,262,029	270,557	666,873	1,555,778
Total liabilities, deferred inflows of resources and fund balances	\$ 2,912,805	363,557	1,194,417	3,338,659

See notes to financial statements.

Ida County Urban Renewal	Arthur Ethanol Donation	Nonmajor	Total
-	-	66,441	3,296,820
-	-	345,297	345,297
-	-	-	2,155,000
167,000	-	-	167,000
-	325,000	-	327,023
-	-	122	2,819
-	-	-	324,619
-	-	-	1,577,094
-	-	-	464,915
-	-	737	53,448
167,000	325,000	412,597	8,714,035
-	-	415	532,832
-	-	607	60,336
-	-	-	1,278,461
1,577,094	-	-	1,577,094
1,577,094	-	1,022	3,448,723
-	-	-	2,155,000
167,000	-	-	167,000
-	325,000	-	353,594
167,000	325,000	-	2,675,594
-	-	-	464,915
-	-	737	53,448
-	-	-	51,337
-	-	-	270,557
-	-	-	665,918
-	-	-	1,076,985
-	-	345,297	345,297
-	-	65,541	231,180
-	-	-	43,710
-	-	-	800
-	-	-	27,000
-	-	-	72,171
-	-	-	10,582
(1,577,094)	-	-	(724,182)
(1,577,094)	-	411,575	2,589,718
167,000	325,000	412,597	8,714,035

Ida County

Ida County

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

June 30, 2015

Total governmental fund balances (page 21)		\$ 2,589,718
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets is \$20,447,241 and the accumulated depreciation is \$7,339,411.		13,107,830
Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds.		353,594
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	\$ 229,881	
Deferred inflows of resources	<u>(607,716)</u>	(377,835)
Long-term liabilities, including capital lease purchase agreement payable, the estimated liability for closure and postclosure care, compensated absences payable, other postemployment benefits payable and net pension liability, are not due and payable in the current year and, therefore, are not reported in the governmental funds.		<u>(1,176,058)</u>
Net position of governmental activities (page 17)		<u><u>\$ 14,497,249</u></u>
See notes to financial statements.		

Ida County

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

Year ended June 30, 2015

	General	Mental Health	Rural Services
Revenues:			
Property and other county tax	\$ 1,520,985	276,543	516,163
Tax increment financing	-	-	-
Local option sales tax	-	-	295,104
Penalty and interest on property tax	14,941	-	-
Intergovernmental	244,863	56,962	31,162
Licenses and permits	14,848	-	-
Charges for service	240,504	-	1,555
Use of money and property	10,844	-	1,250
Miscellaneous	65,274	-	34
Total revenues	2,112,259	333,505	845,268
Expenditures:			
Operating:			
Public safety and legal services	705,210	-	-
Physical health and social services	253,049	-	-
Mental health	-	344,855	-
County environment and education	248,220	-	70,738
Roads and transportation	-	-	-
Governmental services to residents	241,186	-	-
Administration	714,929	-	-
Capital projects	-	-	-
Total expenditures	2,162,594	344,855	70,738
Excess (deficiency) of revenues over (under) expenditures	(50,335)	(11,350)	774,530
Other financing sources (uses):			
Transfers in	25,000	-	16,632
Transfers out	(84,780)	-	(804,056)
Sale of capital assets	-	-	540
Total other financing sources (uses)	(59,780)	-	(786,884)
Change in fund balances	(110,115)	(11,350)	(12,354)
Fund balances beginning of year, as restated	1,372,144	281,907	679,227
Fund balances end of year	\$ 1,262,029	270,557	666,873

See notes to financial statements.

Special Revenue					
Secondary	Ida County	Arthur			
Roads	Urban	Ethanol	Nonmajor		Total
	Renewal	Donation			
-	-	-	-	-	2,313,691
-	175,014	-	-	-	175,014
-	-	-	-	-	295,104
-	-	-	-	-	14,941
2,520,594	-	-	15,961	-	2,869,542
2,455	-	-	-	-	17,303
-	-	-	1,580	-	243,639
-	-	-	1,179	-	13,273
224,980	-	25,000	1,782	-	317,070
2,748,029	175,014	25,000	20,502	-	6,259,577
-	-	-	-	-	705,210
-	-	-	2,500	-	255,549
-	-	-	-	-	344,855
-	-	-	18,782	-	337,740
3,490,268	-	-	-	-	3,490,268
-	-	-	1,414	-	242,600
-	-	-	-	-	714,929
580,354	-	-	-	-	580,354
4,070,622	-	-	22,696	-	6,671,505
(1,322,593)	175,014	25,000	(2,194)	-	(411,928)
1,349,330	-	-	3,216	-	1,394,178
(1,386)	(462,324)	(25,000)	(16,632)	-	(1,394,178)
-	-	-	-	-	540
1,347,944	(462,324)	(25,000)	(13,416)	-	540
25,351	(287,310)	-	(15,610)	-	(411,388)
1,530,427	(1,289,784)	-	427,185	-	3,001,106
1,555,778	(1,577,094)	-	411,575	-	2,589,718

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, 2015

Change in fund balances - Total governmental funds (page 25) \$ (411,388)

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

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

Expenditures for capital assets	\$ 1,236,672	
Capital assets contributed by the Iowa Department of Transportation	461,370	
Depreciation expense	(879,104)	818,938

In the Statement of Activities, the gain on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources. (27,380)

Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are recognized as deferred inflows of resources in the governmental funds. (283,291)

Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 5,000

The current year County IPERS contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position. 184,074

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Compensated absences	8,053	
Adjustment to estimated costs for landfill closure and postclosure care	3,380	
Other postemployment benefits	(2,600)	
Pension expense	(41,584)	(32,751)

Change in net position of governmental activities (page 19) \$ 253,202

See notes to financial statements.

Ida County
Statement of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2015

Assets

Cash and pooled investments:	
County Treasurer	\$ 775,483
Other county officials	37,317
Receivables:	
Succeeding year property tax	8,575,000
Accounts	270
Due from other governments	141,943
Total assets	9,530,013

Liabilities

Accounts payable	77,375
Salaries and benefits payable	28,674
Due to other governments	9,362,934
Trusts payable	7,537
Compensated absences	53,493
Total liabilities	9,530,013

Net position	\$ -
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See notes to financial statements.

Ida County

Ida County

Notes to Financial Statements

June 30, 2015

(1) Summary of Significant Accounting Policies

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

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

A. Reporting Entity

For financial reporting purposes, Ida County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County.

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

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

Ida County Public Safety and Communications Commission – Ida County is a member of the Ida County Public Safety and Communications Commission (the Commission) established pursuant to Chapter 28E of the Code of Iowa. The Commission plans for County-wide law enforcement and communications within the boundaries of the County, including all rural areas and participating municipalities. The Commission can contract with any and all public agencies which wish to enter into contracts with the Commission for the provision of law enforcement, communications and public safety services. The Commission

furnishes law enforcement services, emergency communications and such other services as may be necessary to protect the rights and property of all citizens of any public agency contracting with the Commission. The Commission's Board is comprised of three representatives selected by and from the Ida County Board of Supervisors and one representative selected by each participating municipality. The Commission is funded primarily by assessments made against each participating member. The County's participating share cannot be less than 43% of the annual budget. The County has an ongoing financial responsibility to the Commission for its continued existence. Membership in the Commission for the year ended June 30, 2015 included five municipalities and the County. Ida County contributed \$489,245 and the municipalities contributed \$649,609 to support the Commission. Financial transactions of the Commission are included in the County's financial statements only to the extent of the County's fiduciary relationship with the Commission and, as such, are reported as part of the Other Agency Funds of the County.

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

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

B. Basis of Presentation

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

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

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

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

The Secondary Roads Fund is used to account for the road use tax allocation from the State of Iowa, required transfers from the General Fund and the Special Revenue, Rural Services Fund and other revenues to be used for secondary roads construction and maintenance.

The Ida County Urban Renewal Fund is used to account for revenues from the tax authorized by ordinance in the urban renewal district and used to pay indebtedness incurred for urban renewal projects.

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

Additionally, the County reports fiduciary/agency funds which are used to account for assets held by the County as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds.

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity

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

Cash and Pooled Investments – The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund unless otherwise provided by law. Investments are stated at fair value.

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2013 assessed property valuations; is for the tax accrual period July 1, 2014 through June 30, 2015 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2014.

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

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

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

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

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

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

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position which applies to a future year(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the County after the measurement date but before the end of the County’s reporting period.

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. This includes the amount owed from the Special Revenue, Secondary Roads Fund to the Iowa Department of Transportation for the Farm to Market account.

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.

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2015. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

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

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.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Iowa Public Employees’ Retirement System (IPERS) and additions to/deductions from IPERS’ fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources – Deferred inflows of resources represents an acquisition of net position which applies to a future year(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of development agreement receivable as well as property tax receivable and other receivables not collected within sixty days after year end.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivable that will not be recognized until the year for which it is levied and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

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

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

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

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

Unassigned – All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

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

(2) Cash and Pooled Investments

The County's deposits in banks at June 30, 2015 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

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, 2015 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General	Special Revenue:	
	Arthur Ethanol Donation	\$ 25,000
Special Revenue:	Special Revenue:	
Rural Services	Landfill Closure /Postclosure	16,632
		<u>82,950</u>
Secondary Roads	General	
	Special Revenue:	
	Rural Services	804,056
	Ida County Urban Renewal	462,324
		<u>1,349,330</u>
Self-Funding Insurance	General	1,830
	Special Revenue:	
	Secondary Roads	1,386
		<u>3,216</u>
Total		<u>\$ 1,394,178</u>

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

(4) Interfund Assets/Liabilities

The detail of advances to/from is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Special Revenue:	Special Revenue:	
Secondary Roads	Ida County Urban Renewal	\$ 1,577,094

The advance to/from other funds resulted from borrowing funds from the Special Revenue, Secondary Roads Fund for urban renewal project costs. The borrowing will be repaid with tax increment financing collections.

(5) **Capital Assets**

Capital assets activity for the year ended June 30, 2015 was as follow:

	Balance			Balance
	Beginning			End
	of Year	Increases	Decreases	of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 241,692	-	-	241,692
Construction in progress	429,105	850,059	(434,292)	844,872
Total capital assets not being depreciated	<u>670,797</u>	<u>850,059</u>	<u>(434,292)</u>	<u>1,086,564</u>
Capital assets being depreciated:				
Buildings	1,987,250	-	-	1,987,250
Equipment and vehicles	4,897,677	890,483	(539,829)	5,248,331
Infrastructure, road network	11,690,804	434,292	-	12,125,096
Total capital assets being depreciated	<u>18,575,731</u>	<u>1,324,775</u>	<u>(539,829)</u>	<u>19,360,677</u>
Less accumulated depreciation for:				
Buildings	1,175,623	48,977	-	1,224,600
Equipment and vehicles	3,363,980	393,982	(469,949)	3,288,013
Infrastructure, road network	2,390,653	436,145	-	2,826,798
Total accumulated depreciation	<u>6,930,256</u>	<u>879,104</u>	<u>(469,949)</u>	<u>7,339,411</u>
Total capital assets being depreciated, net	<u>11,645,475</u>	<u>445,671</u>	<u>(69,880)</u>	<u>12,021,266</u>
Governmental activities capital assets, net	<u>\$12,316,272</u>	<u>1,295,730</u>	<u>(504,172)</u>	<u>13,107,830</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 12,512
County environment and education	18,012
Roads and transportation	815,794
Administration	<u>32,786</u>
Total depreciation expense - governmental activities	<u>\$ 879,104</u>

(6) Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2015 is as follows:

Fund	Description	Amount
General	Services	\$ 3,744
Special Revenue:		
Rural Services	Services	147
Secondary Roads	Services	1,274,570
		<u>1,274,717</u>
Total for governmental funds		<u>\$ 1,278,461</u>
Agency:		
County Offices	Collections	\$ 30,050
Agricultural Extension Education		116,669
County Assessor		247,351
Schools		5,906,946
Community Colleges		367,169
Corporations		1,851,034
Townships		243,224
Auto License and Use Tax		236,979
All other		<u>363,512</u>
Total for agency funds		<u>\$ 9,362,934</u>

The Special Revenue, Secondary Roads Fund amount due to other governments includes \$1,274,397 owed to the Iowa Department of Transportation for the Farm to Market account.

(7) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2015 is as follows:

	Capital Lease Purchase Agreement	Compen-sated Absences	Estimated Liability for Closure and Postclosure Care	Net Pension Liability	Net OPEB Liability	Total
Balance beginning of year, as restated	\$ 20,000	48,305	328,484	1,458,302	33,500	1,888,591
Increases	-	42,953	-	-	17,700	60,653
Decreases	5,000	51,006	3,380	698,700	15,100	773,186
Balance end of year	<u>\$ 15,000</u>	<u>40,252</u>	<u>325,104</u>	<u>759,602</u>	<u>36,100</u>	<u>1,176,058</u>
Due within one year	<u>\$ 5,000</u>	<u>25,484</u>	<u>14,060</u>	<u>-</u>	<u>-</u>	<u>44,544</u>

Capital Lease Purchase Agreement

The County entered into an interest free capital lease purchase agreement to lease a utility tractor with an historical cost of \$37,900. The County received a trade in allowance of \$6,500 and made a down payment of \$11,400 at the inception of the lease. The following is a schedule of the future minimum lease payments under the agreement in effect at June 30, 2015:

<u>Year</u> <u>Ending</u> <u>June 30,</u>	<u>Amount</u>
2016	\$ 5,000
2017	5,000
2018	5,000
Total minimum lease payments	<u>\$ 15,000</u>

The payment under this capital lease purchase agreement totaled \$5,000 for the year ended June 30, 2015.

(8) Pension Plan

Plan Description - IPERS membership is mandatory for employees of the County, except for those covered by another retirement system. Employees of the County are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code Chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information

Pension Benefits – A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

Sheriffs, deputies and protection occupation members may retire at normal retirement age, which is generally at age 55. Sheriffs, deputies and protection occupation members may retire any time after reaching age 50 with 22 or more years of covered employment.

The formula used to calculate a sheriff's, deputy's and protection occupation member's monthly IPERS benefit includes:

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for years of service greater than 22 but not more than 30 years of service.
- The member's highest three-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits - A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions - Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95% of covered payroll and the County contributed 8.93% for a total rate of 14.88%. The Sheriff, deputies and the County each contributed 9.88% of covered payroll for a total rate of 19.76%. Protection occupation members contributed 6.76% of covered payroll and the County contributed 10.14% for a total rate of 16.90%.

The County's contributions to IPERS for the year ended June 30, 2015 were \$184,074.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the County reported a liability of \$759,602 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2014, the County's collective proportion was 0.0191533%, which was a decrease of 0.006245% from its collective proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$41,584. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,940	18,542
Changes of assumptions	36,304	17,170
Net difference between projected and actual earnings on pension plan investments	-	486,737
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	563	85,267
County contributions subsequent to the measurement date	184,074	-
Total	\$ 229,881	607,716

\$184,074 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2016	\$ (139,248)
2017	(139,248)
2018	(139,248)
2019	(139,248)
2020	(4,917)
Total	\$ (561,909)

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2014)	3.00% per annum.
Rates of salary increase (effective June 30, 2010)	4.00 to 17.00% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.50% compounded annually, net of investment expense, including inflation.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
US Equity	23%	6.31%
Non US Equity	15	6.76
Private Equity	13	11.34
Real Estate	8	3.52
Core Plus Fixed Income	28	2.06
Credit Opportunities	5	3.67
TIPS	5	1.92
Other Real Assets	2	6.27
Cash	1	(0.69)
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the County will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.50%) or 1% higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
County's proportionate share of the net pension liability (asset)	\$ 1,862,422	\$ 759,602	\$ (169,993)

IPERS' Fiduciary Net Position - Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to IPERS - At June 30, 2015, the County reported payables to IPERS of \$15,381 for legally required County contributions and \$11,343 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

(9) Other Postemployment Benefits (OPEB)

Plan Description – The County operates a single-employer health benefit plan which provides health benefits for employees, retirees and their spouses. There are 44 active and 3 retired members in the plan. Retired participants must be age 55 or older at retirement, with the exception of special service participants who must be age 50 with 22 years of service.

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

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

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

The following table shows the components of the County’s annual OPEB cost for the year ended June 30, 2015, the amount actually contributed to the plan and changes in the County’s net OPEB obligation:

Annual required contribution	\$ 17,600
Interest on net OPEB obligation	1,200
Adjustment to annual required contribution	(1,100)
Annual OPEB cost	<u>17,700</u>
Contributions made	<u>(15,100)</u>
Increase in net OPEB obligation	2,600
Net OPEB obligation beginning of year	<u>33,500</u>
Net OPEB obligation end of year	<u><u>\$ 36,100</u></u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2015.

For the year ended June 30, 2015, the County contributed \$15,100 to the health plan. Plan members eligible for benefits contributed \$26,620, or 64% of the premium costs.

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

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 17,600	63.1%	\$ 29,000
2014	17,700	74.6	33,500
2015	17,700	85.3	36,100

Funded Status and Funding Progress – As of July 1, 2012, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was approximately \$164,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$164,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$1,625,000 and the ratio of the UAAL to covered payroll was 10.10%. As of June 30, 2015, there were no trust fund assets.

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

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

As of the July 1, 2012 actuarial valuation date, the unit credit actuarial cost method was used. The actuarial assumptions include a 4% discount rate based on the County's funding policy. The projected annual medical trend rate is 10%. The ultimate medical trend rate is 5%. The medical trend rate is reduced .5% each year until reaching the 5% ultimate trend rate. An inflation rate of 3% is assumed for the purpose of this computation.

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

Projected claim costs of the medical plan are \$883 per month for retirees and \$792 per month for the retiree's spouse. The salary increase rate was assumed to be 3% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis for 30 years.

(10) Risk Management

The County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 727 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses

and reinsurance expenses estimated for the fiscal year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of basis rate.

The Pool also provides property coverage. Members who elect such coverage make annual property operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses, reinsurance premiums, losses and loss expenses for property risks estimated for the fiscal 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, 2015 were \$95,605.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location. Property risks exceeding \$250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, property loss or series of claims or losses exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event a casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any excess risk-sharing recoveries, then payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred.

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, 2015, no liability has been recorded in the County's financial statements. As of June 30, 2015, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Upon withdrawal, a formula set forth in the Pool's intergovernmental contract with its members is applied to determine the amount (if any) to be refunded to the withdrawing member.

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$1,000,000 and \$100,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(11) Closure and Postclosure Care Costs

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

Governmental Accounting Standards Board Statement No. 18 requires landfill owners to estimate total landfill closure and postclosure care costs and recognize a portion of these costs each year based on the percentage of estimated total landfill capacity used that period. Estimated total costs consist of four components: (1) the cost of equipment and facilities used in postclosure monitoring and care, (2) the cost of final cover (material and labor), (3) the cost of monitoring the landfill during the postclosure period and (4) the cost of any environmental cleanup required after closure. Estimated total cost is based on the cost to purchase those services and equipment currently and is required to be updated annually for changes due to inflation or deflation, technology, or applicable laws or regulations.

These costs for the Ida County Landfill have been estimated at \$323,380 and a provision for this liability has been made in the County's Statement of Net Position as of June 30, 2015. This amount is based on what it would cost to perform all postclosure care during the year ended June 30, 2015. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The Ida County Landfill closed during fiscal year 2008 at 100% capacity.

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

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

As of June 30, 2015, the total closure care costs for the transfer station have been estimated at \$1,724 and a provision for this liability has been made in the County's Statement of Net Position as of June 30, 2015.

Chapter 455B.306(9)(b) of the Code of Iowa requires permit holders of municipal solid waste landfills to maintain separate closure and postclosure care accounts to accumulate resources for the payment of closure and postclosure care costs. The County has accumulated resources to fund these liabilities and, at June 30, 2015, assets totalling \$345,297 are restricted for these purposes. They are reported as restricted cash and pooled investments in the Balance Sheet for the Special Revenue, Landfill Closure/Postclosure and Transfer Station Closure Funds and in the Statement of Net Position.

(12) Ida County Public Safety and Communications Commission

The County participates in the Ida County Public Safety and Communications Commission, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa. Financial transactions of this organization are included in the County's financial statements as part of the Other Agency Funds because of the County's fiduciary relationship with the organization. The following financial data for the Commission is for the year ended June 30, 2015:

	Ida County Public Safety and Communications Commission						
	Sherrif's						
	Confiscated	Sheriff's	Sheriff's	Reserve	Sheriff's		
	Operating	Property	K-9	Commissary	Deputy	DARE	Total
Additions:							
Contributions from governmental units:							
Ida County	\$ 489,245	-	-	-	-	-	489,245
Ida Grove	310,614	-	-	-	-	-	310,614
Holstein	185,459	-	-	-	-	-	185,459
Arthur	29,582	-	-	-	-	-	29,582
Galva	38,620	-	-	-	-	-	38,620
Battle Creek	85,334	-	-	-	-	-	85,334
	<u>1,138,854</u>	-	-	-	-	-	<u>1,138,854</u>
Prisoner fees:							
Boarding fees	4,756	-	-	-	-	-	4,756
Work release fees	1,500	-	-	-	-	-	1,500
	<u>6,256</u>	-	-	-	-	-	<u>6,256</u>
Miscellaneous:							
Refunds	3,891	-	-	-	-	-	3,891
Donations	-	-	100	-	-	-	100
Miscellaneous	8,892	-	-	-	-	-	8,892
	<u>12,783</u>	-	100	-	-	-	<u>12,883</u>
Total additions	<u>1,157,893</u>	-	100	-	-	-	<u>1,157,993</u>
Deductions:							
Salaries and wages	697,423	-	-	-	3	-	697,426
Benefits	199,730	-	-	-	-	-	199,730
Iowa system rental	4,140	-	-	-	-	-	4,140
Postage and mailing	1,808	-	-	-	-	-	1,808
Office supplies	12,915	-	-	-	-	-	12,915
Mileage and subsistence	1,911	-	-	-	-	-	1,911
Education and training	15,734	-	-	-	-	-	15,734
Uniform allowance	2,495	-	-	-	-	-	2,495
Insurance	30,494	-	-	-	-	-	30,494
Equipment, supplies and maintenance	45,995	-	-	-	-	-	45,995
Motor vehicle	48,441	-	-	-	-	-	48,441
Motor vehicle supplies	59,948	-	-	-	-	-	59,948
Telephone and fax	9,669	-	-	-	-	-	9,669
Radio equipment repair and maintenance	899	-	-	-	-	-	899
Investigations	2,491	-	-	-	-	-	2,491
Jail food and provisions	26,921	-	-	-	-	-	26,921
Jail supplies	1,664	-	-	-	-	-	1,664
Medical supplies	5,139	-	-	-	-	-	5,139
Improvements	1,308	-	-	-	-	-	1,308
K-9 supplies	-	-	2,370	-	-	-	2,370
Miscellaneous	3,423	-	-	-	-	-	3,423
Total deductions	<u>1,172,548</u>	-	2,370	-	3	-	<u>1,174,921</u>
Change in balance	(14,655)	-	(2,270)	-	(3)	-	(16,928)
Balance beginning of year	88,944	801	2,746	71	183	16	92,761
Balance end of year	<u>\$ 74,289</u>	<u>801</u>	<u>476</u>	<u>71</u>	<u>180</u>	<u>16</u>	<u>75,833</u>

(13) Public Health Services Agreement

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

The home health, public health and homemakers services provided will be under the administrative control of the Hospital. All services rendered under the terms of the agreement are to be funded by the Hospital, except where residents of the County may be unable to pay for said services, in which case the Hospital may submit monthly claims for reimbursements for services and fees to the County for payment. In addition, the County agreed to pay the Hospital an annual fee of \$85,000 for public health services, which will be paid in quarterly increments beginning July 1, 2006. An annual cost of living increase, as determined by the cost of living index for Social Security benefits, will be provided for each following year. During fiscal year 2015, the County paid \$101,632 pursuant to this agreement.

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

(14) Development Agreements and Establishment of Urban Renewal Area

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

In November 2006, the County entered into a private development agreement with Maple River Energy, LLC for construction of a 5 million gallon per year biodiesel and soybean processing plant. The County agreed to provide a 100% abatement of Maple River Energy, LLC property tax for ten years. The County also agreed to rebate 75% of the property tax paid by Maple River Energy, LLC for an additional ten years, which will begin in year eleven. The County agreed to pay up to \$362,000 for expenses related to road improvements to support the project. As of June 30, 2015, the County has incurred costs of \$321,685 related to the road project.

In March 2007, the County entered into a private development agreement under the authority of Chapter 403 of the Code of Iowa with Platinum Ethanol, LLC for construction of a dry mill, corn-processing ethanol plant facility at an amount of not less than \$160,000,000. The County has adopted Ida County Urban Renewal Plan #1, which encompasses the development property. The County will provide a 100% abatement of Platinum Ethanol, LLC property tax for ten years. The County also agreed to rebate 75% of the property tax paid by Platinum Ethanol, LLC for an additional ten years, which will begin in year eleven. The County agreed to pay up to \$350,000 for expenses related to road improvements to support the project. On December 15, 2010, the County amended the agreement to include an additional \$150,000 in expenses related to road improvements, for a total of \$500,000. As of June 30, 2014, the County had met its obligation related to road improvements. Platinum Ethanol, LLC will make nineteen annual

payments in the amount of \$25,000 to the County, beginning no later than January 30, 2010, and continuing for eighteen additional years on the anniversary of the first payment, for a total of \$475,000, to be used by the County for County improvement projects. As of June 30, 2015, the County has received cumulative contributions totaling \$150,000.

(15) County Financial Information Included in the Rolling Hills Community Services Region

Rolling Hills Community Services Region, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa which became effective July 10, 2014, includes the following member counties: Buena Vista County, Calhoun County, Carroll County, Cherokee County, Crawford County, Sac County and Ida County. The financial activity of the County's Special Revenue, Mental Health Fund is included in the Rolling Hills Community Services Region for the year ended June 30, 2015, as follows:

Revenues:		
Property and other county tax		\$ 276,543
Intergovernmental:		
State tax credits	\$ 21,785	
Social services block grant	35,177	56,962
Total revenues		<u>333,505</u>
Expenditures:		
Services to persons with mental illness		834
General administration:		
Direct administration	7,861	
Distribution to regional fiscal agent	336,160	344,021
Total expenditures		<u>344,855</u>
Excess of expenditures over revenues		(11,350)
Fund balance beginning of year		<u>281,907</u>
Fund balance end of year		<u>\$ 270,557</u>

(16) Deficit Fund Balance

At June 30, 2015, the Special Revenue, Ida County Urban Renewal Fund had a deficit fund balance of \$1,577,094 due to an advance from another fund spent for urban renewal purposes. The deficit will be eliminated with future tax increment financing revenues.

(17) Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27, was implemented during fiscal year 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, GASB Statement No. 68 requires a state or local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources are not reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by Governmental Accounting Standards Board Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Beginning net position for governmental activities was restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date.

In addition, the Special Revenue, Secondary Roads and Ida County Urban Renewal Funds have been restated to report interfund tax increment financing (TIF) loans certified but not recorded in the financial statements by the County.

Also, the Special Revenue, Secondary Roads Fund has been restated to report the amount owed to the County’s Iowa Department of Transportation Farm to Market account.

The restated net position/fund balances are as follows:

	Special Revenue		
	Governmental Activities	Secondary Roads	Ida County Urban Renewal
Net position/fund balances June 30, 2014, as previously reported	\$ 16,734,373	1,451,042	-
Net pension liability at June 30, 2014	(1,458,302)	-	-
Deferred outflows of resources			
related to prior year contributions made after the June 30, 2013 measurement date	178,375	-	-
Interfund tax increment financing loans previously omitted	-	1,289,784	(1,289,784)
Amount due to another government previously omitted	(1,210,399)	(1,210,399)	-
Net position July 1, 2014, as restated	<u>\$ 14,244,047</u>	<u>1,530,427</u>	<u>(1,289,784)</u>

Required Supplementary Information

Ida County

Budgetary Comparison Schedule of
Receipts, Disbursements and Changes in Balances –
Budget and Actual (Cash Basis) – All Governmental Funds

Required Supplementary Information

Year ended June 30, 2015

	Actual	Budgeted Amounts Original/Final	Final to Actual Variance
Receipts:			
Property and other county tax	\$ 2,798,627	2,750,807	47,820
Interest and penalty on property tax	14,941	6,000	8,941
Intergovernmental	2,782,137	2,871,190	(89,053)
Licenses and permits	16,929	17,200	(271)
Charges for service	239,965	207,130	32,835
Use of money and property	13,112	3,960	9,152
Miscellaneous	312,951	155,725	157,226
Total receipts	<u>6,178,662</u>	<u>6,012,012</u>	<u>166,650</u>
Disbursements:			
Public safety and legal services	704,923	799,179	94,256
Physical health and social services	241,791	307,443	65,652
Mental health	363,353	395,616	32,263
County environment and education	326,799	387,737	60,938
Roads and transportation	3,031,815	3,034,651	2,836
Governmental services to residents	239,471	263,280	23,809
Administration	711,353	756,191	44,838
Capital projects	516,356	1,295,000	778,644
Total disbursements	<u>6,135,861</u>	<u>7,239,097</u>	<u>1,103,236</u>
Excess (deficiency) of receipts over (under) disbursements	42,801	(1,227,085)	1,269,886
Other financing sources, net	538	-	538
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	43,339	(1,227,085)	1,270,424
Balance beginning of year	3,598,778	3,350,965	247,813
Balance end of year	<u>\$ 3,642,117</u>	<u>2,123,880</u>	<u>1,518,237</u>

See accompanying independent auditor's report.

Ida County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation
Required Supplementary Information

Year ended June 30, 2015

	Governmental Funds		
	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis
Revenues	\$ 6,178,662	80,915	6,259,577
Expenditures	6,135,861	535,644	6,671,505
Net	42,801	(454,729)	(411,928)
Other financing sources, net	538	2	540
Beginning fund balances, as restated	3,598,778	(597,672)	3,001,106
Ending fund balances	\$ 3,642,117	(1,052,399)	2,589,718

See accompanying independent auditor's report.

Ida County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2015

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

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except the Agency Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon eight major classes of expenditures known as functions, not by fund. These eight functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund and the Special Revenue Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. Ida County did not amend its budget during the year ended June 30, 2015.

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, 2015, disbursements did not exceed the amounts budgeted by function.

Ida County

Schedule of the County's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System
Last Fiscal Year*
(In Thousands)

Required Supplementary Information

	<u>2015</u>
County's collective proportion of the net pension liability (asset)	0.0191533%
County's collective proportionate share of the net pension liability (asset)	\$ 760
County's covered-employee payroll	\$ 1,930
County's collective proportionate share of the net pension liability as a percentage of its covered-employee payroll	39.38%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

* The amounts presented for each fiscal year were determined as of June 30.
See accompanying independent auditor's report.

Ida County

Schedule of County Contributions

Iowa Public Employees' Retirement System
Last Ten Fiscal Years
(In Thousands)

Required Supplementary Information

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Statutorily required contributions	\$ 184	178	182	164
Contributions in relation to the statutorily required contribution	<u>(184)</u>	<u>(178)</u>	<u>(182)</u>	<u>(164)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered-employee payroll	\$ 1,990	1,930	2,010	1,910
Contributions as a percentage of covered-employee payroll	9.25%	9.22%	9.05%	8.59%

See accompanying independent auditor's report.

* County's covered-employee payroll information was not readily available. Therefore, contributions as a percentage of covered-employee payroll could not be calculated.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
143	138	172	118	110	108
<u>(143)</u>	<u>(138)</u>	<u>(172)</u>	<u>(118)</u>	<u>(110)</u>	<u>(108)</u>
-	-	-	-	-	-
1,880	1,953	2,280	*	*	*
7.61%	7.07%	7.54%	*	*	*

Ida County

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2015

Changes of benefit terms:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3% per year measured from the member's first unreduced retirement age to a 6% reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups – emergency medical service providers, county jailers, county attorney investigators and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer, instead of the previous 40-60 split.

Changes of assumptions:

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25% to 4.00%.
- Lowered the inflation assumption from 3.50% to 3.25%.
- Lowered disability rates for sheriffs, deputies and protection occupation members.

Ida County

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

Required Supplementary Information

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	Jul 1, 2009	-	\$ 114	114	0.00%	\$ 1,776	6.40%
2011	Jul 1, 2009	-	114	114	0.00	1,717	6.60
2012	Jul 1, 2009	-	114	114	0.00	1,707	6.70
2013	Jul 1, 2012	-	158	158	0.00	1,865	8.50
2014	Jul 1, 2012	-	164	164	0.00	1,566	10.50
2015	Jul 1, 2012	-	164	164	0.00	1,625	10.10

See Note 9 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

See accompanying independent auditor's report.

Supplementary Information

Ida County
 Combining Balance Sheet
 Nonmajor Governmental Funds

June 30, 2015

	County Recorder's Records Management	Resource Enhancement and Protection	Self-Funding Insurance	Confiscated Funds - County Attorney
Assets				
Cash and pooled investments	\$ 9,747	34,878	4,998	14,752
Restricted cash and pooled investments	-	-	-	-
Accrued interest receivable	122	-	-	-
Prepaid insurance	-	737	-	-
Total assets	\$ 9,869	35,615	4,998	14,752
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	415	-	-
Salaries and benefits payable	-	607	-	-
Total liabilities	-	1,022	-	-
Fund balances:				
Nonspendable for prepaid insurance	-	737	-	-
Restricted for:				
Landfill closure and postclosure care	-	-	-	-
Other purposes	9,869	33,856	4,998	14,752
Total fund balances	9,869	34,593	4,998	14,752
Total liabilities and fund balances	\$ 9,869	35,615	4,998	14,752

See accompanying independent auditor's report.

Special Revenue				
Landfill Closure/ Postclosure	Transfer Station Closure	Public Health Services Enhancement		Total
-	-	2,066		66,441
342,985	2,312	-		345,297
-	-	-		122
-	-	-		737
342,985	2,312	2,066		412,597
-	-	-		415
-	-	-		607
-	-	-		1,022
-	-	-		737
342,985	2,312	-		345,297
-	-	2,066		65,541
342,985	2,312	2,066		411,575
342,985	2,312	2,066		412,597

Ida County

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

Year ended June 30, 2015

	County Recorder's Records Management	Resource Enhancement and Protection	Self-Funding Insurance	Confiscated Funds - County Attorney
Revenues:				
Intergovernmental	\$ -	11,940	-	4,021
Charges for service	1,580	-	-	-
Use of money and property	-	-	-	-
Miscellaneous	-	-	1,782	-
Total revenues	<u>1,580</u>	<u>11,940</u>	<u>1,782</u>	<u>4,021</u>
Expenditures:				
Operating:				
Physical health and social services	-	-	-	-
County environment and education	-	18,782	-	-
Governmental services to residents	1,414	-	-	-
Total expenditures	<u>1,414</u>	<u>18,782</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>166</u>	<u>(6,842)</u>	<u>1,782</u>	<u>4,021</u>
Other financing sources (uses):				
Transfers in	-	-	3,216	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>3,216</u>	<u>-</u>
Change in fund balances	166	(6,842)	4,998	4,021
Fund balances beginning of year	<u>9,703</u>	<u>41,435</u>	<u>-</u>	<u>10,731</u>
Fund balances end of year	<u>\$ 9,869</u>	<u>34,593</u>	<u>4,998</u>	<u>14,752</u>

See accompanying independent auditor's report.

Special Revenue				
Landfill Closure/ Postclosure	Transfer Station Closure	Public Health Services Enhancement	Total	
-	-	-	15,961	
-	-	-	1,580	
1,179	-	-	1,179	
-	-	-	1,782	
1,179	-	-	20,502	
-	-	2,500	2,500	
-	-	-	18,782	
-	-	-	1,414	
-	-	2,500	22,696	
1,179	-	(2,500)	(2,194)	
-	-	-	3,216	
(16,632)	-	-	(16,632)	
(16,632)	-	-	(13,416)	
(15,453)	-	(2,500)	(15,610)	
358,438	2,312	4,566	427,185	
342,985	2,312	2,066	411,575	

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

June 30, 2015

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash and pooled investments:				
County Treasurer	\$ -	1,669	87,203	81,946
Other County officials	37,317	-	-	-
Receivables:				
Succeeding year property tax	-	115,000	196,000	5,825,000
Accounts	270	-	-	-
Due from other governments	-	-	-	-
Total assets	\$ 37,587	116,669	283,203	5,906,946
Liabilities				
Accounts payable	\$ -	-	24,836	-
Salaries and benefits payable	-	-	4,056	-
Due to other governments	30,050	116,669	247,351	5,906,946
Trusts payable	7,537	-	-	-
Compensated absences	-	-	6,960	-
Total liabilities	\$ 37,587	116,669	283,203	5,906,946

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Other	Total
5,169	16,034	3,224	236,979	343,259	775,483
-	-	-	-	-	37,317
362,000	1,835,000	240,000	-	2,000	8,575,000
-	-	-	-	-	270
-	-	-	-	141,943	141,943
<u>367,169</u>	<u>1,851,034</u>	<u>243,224</u>	<u>236,979</u>	<u>487,202</u>	<u>9,530,013</u>
-	-	-	-	52,539	77,375
-	-	-	-	24,618	28,674
367,169	1,851,034	243,224	236,979	363,512	9,362,934
-	-	-	-	-	7,537
-	-	-	-	46,533	53,493
<u>367,169</u>	<u>1,851,034</u>	<u>243,224</u>	<u>236,979</u>	<u>487,202</u>	<u>9,530,013</u>

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

Year ended June 30, 2015

Assets and Liabilities	County Offices	Agricultural Extension Education	County Assessor	Schools
Balances beginning of year	\$ 32,883	118,611	266,123	5,856,542
Additions:				
Property and other county tax	-	115,203	196,283	5,844,586
E911 surcharge	-	-	-	-
State tax credits	-	9,233	16,250	456,001
Drivers license fees	-	-	-	-
Office fees and collections	185,948	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Trusts	59,282	-	-	-
Assessments	-	-	-	-
Miscellaneous	-	-	836	-
Total additions	245,230	124,436	213,369	6,300,587
Deductions:				
Agency remittances:				
To other funds	107,094	-	-	-
To other governments	74,150	126,378	196,289	6,250,183
Trusts paid out	59,282	-	-	-
Total deductions	240,526	126,378	196,289	6,250,183
Balances end of year	\$ 37,587	116,669	283,203	5,906,946

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Other	Total
367,611	1,900,990	237,191	216,408	443,625	9,439,984
363,621	1,820,218	15,632	-	67	8,355,610
-	-	-	-	205,794	205,794
28,653	228,602	14,336	-	1,574	754,649
-	-	-	16,541	-	16,541
-	-	-	-	196	186,144
-	-	-	2,811,494	-	2,811,494
-	-	-	-	24,017	83,299
-	-	224,552	-	5,257	229,809
-	-	-	-	1,223,836	1,224,672
392,274	2,048,820	254,520	2,828,035	1,460,741	13,868,012
-	-	-	98,852	-	205,946
392,716	2,098,776	248,487	2,708,612	1,417,164	13,512,755
-	-	-	-	-	59,282
392,716	2,098,776	248,487	2,807,464	1,417,164	13,777,983
367,169	1,851,034	243,224	236,979	487,202	9,530,013

Ida County

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

For the Last Ten Years

	2015	2014*	2013	2012
Revenues:				
Property and other county tax	\$ 2,313,691	2,280,230	2,536,759	2,452,762
Tax increment financing	175,014	126,364	133,390	123,736
Local option sales tax	295,104	256,677	273,495	292,918
Interest and penalty on property tax	14,941	15,138	15,201	16,391
Intergovernmental	2,869,542	2,445,172	2,298,616	2,528,670
Licenses and permits	17,303	20,055	16,610	14,678
Charges for service	243,639	243,101	232,967	266,671
Use of money and property	13,273	15,609	13,396	13,036
Miscellaneous	317,070	136,273	134,768	166,353
Total	<u>\$ 6,259,577</u>	<u>5,538,619</u>	<u>5,655,202</u>	<u>5,875,215</u>
Expenditures:				
Operating:				
Public safety and legal services	\$ 705,210	699,164	675,389	644,365
Physical health and social services	255,549	245,432	235,067	226,956
Mental health	344,855	238,438	239,098	805,189
County environment and education	337,740	328,472	323,298	279,603
Roads and transportation	3,490,268	2,744,088	2,800,607	2,600,475
Governmental services to residents	242,600	232,860	237,855	221,132
Administration	714,929	617,341	607,175	645,931
Capital projects	580,354	1,026,513	115,471	115,161
Total	<u>\$ 6,671,505</u>	<u>6,132,308</u>	<u>5,233,960</u>	<u>5,538,812</u>

* Fiscal year 2014 amounts reported include a prior period adjustment made in 2015 to reflect the amount owed to the County's Iowa Department of Transportation Farm to Market account.

See accompanying independent auditor's report.

Modified Accrual Basis					
2011	2010	2009	2008	2007	2006
2,598,602	2,585,205	1,982,400	1,938,425	1,819,514	1,805,477
131,673	104,264	32,211	-	-	-
276,709	111,477	-	-	-	-
17,587	18,177	14,344	15,209	14,322	16,904
2,511,521	2,488,046	2,814,275	2,499,595	2,490,839	2,498,943
15,439	16,969	14,894	14,464	12,909	13,883
214,234	206,147	203,993	296,179	387,574	424,370
12,845	19,763	54,773	178,595	235,173	190,666
268,084	161,042	92,533	102,631	245,039	18,408
6,046,694	5,711,090	5,209,423	5,045,098	5,205,370	4,968,651
622,251	618,674	582,787	568,539	551,562	519,155
259,742	292,453	254,743	233,244	234,664	360,158
692,743	585,229	617,916	722,629	658,922	646,308
286,912	269,543	616,675	374,184	376,643	364,521
2,374,426	2,644,571	2,242,896	2,595,001	2,239,202	2,281,399
227,452	242,777	250,908	217,704	233,356	250,304
571,705	562,824	646,839	621,533	711,761	607,036
272,514	552,796	280,420	1,175,003	3,465	197,100
5,307,745	5,768,867	5,493,184	6,507,837	5,009,575	5,225,981

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



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Auditor of State

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

To the Officials of Ida County:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Ida County, Iowa, as of and for the year ended June 30, 2015, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 9, 2016.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2015 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.


Ida County's Responses to the Findings


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

Purpose of this Report

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

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


MARY MOSIMAN, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

May 9, 2016

Ida County
 Schedule of Findings
 Year ended June 30, 2015

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

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

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

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

Responses –

Sheriff – We will attempt to follow the recommendation of the State Auditor’s Office.

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

Ida County

Schedule of Findings

Year ended June 30, 2015

Treasurer – We try to segregate duties to the best of our ability with our limited staff.

Ag Extension – We will try to comply with auditors request and recommendations.

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

- (B) Financial Reporting – During the audit, we identified material amounts of receivables, payables and capital asset/infrastructure additions and deletions not properly recorded in the County's financial statements. In addition, the County did not properly record tax increment financing (TIF) interfund advances in the prior year. Adjustments and beginning balance restatements were subsequently made by the County to properly include these amounts in the financial statements.

Recommendation – The County should implement procedures to ensure all receivables, payables, interfund advances and capital asset/infrastructure additions and deletions are identified and properly reported in the County's financial statements.

Response – The County will enhance its procedures for receivables, payables, interfund advances and capital asset/infrastructure reporting to ensure all items are identified.

Conclusion – Response accepted.

- (C) Current and Delinquent Tax Reconciliation – Current and delinquent tax reconciliations by tax district were not prepared.

Recommendation – Current and delinquent tax reconciliations should be prepared.

Response – We will perform the reconciliations next year.

Conclusion – Response accepted.

- (D) Computer System – Personnel in the County Treasurer's Office share the same computer terminal from time to time and each person does not log-on and log-off prior to other personnel entering transactions on the terminal.

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

Response – We are checking into possibilities of how to fix this situation

Conclusion – Response acknowledged. Each individual who enters transactions into the system should have their own log-in. Personnel who share the same computer terminal should be required to log-on and log-off prior to other personnel entering transactions on the same terminal.

Ida County

Schedule of Findings

Year ended June 30, 2015

- (E) County Sheriff – The Sheriff’s Office does not prepare a year-to-date spreadsheet of receipts and disbursements reconciled to the beginning and ending book balances. Also, there is no evidence a complete bank reconciliation is prepared for the Commissary bank account.

Recommendation – The Sheriff’s Office should prepare a year-to-date spreadsheet of receipts and disbursements which should reconcile to the beginning and ending book balances. Also, monthly bank reconciliations should be prepared for the Commissary bank account.

Response – We will ensure we follow the recommendation of the State Auditor’s Office.

Conclusion – Response accepted.

- (F) County Recorder – The Recorder’s Office prepared a year-to-date spreadsheet of receipts and disbursements, but the spreadsheet did not reconcile to the beginning and ending book balances.

Recommendation – The Recorder’s Office should ensure the year-to-date spreadsheet of receipts and disbursements reconciles to the beginning and ending book balances.

Response – We have the reconciliation figured out and I understand what needs to be done to balance. The Recorder’s Office currently is in balance.

Conclusion – Response accepted.

- (G) Ida County Conservation Foundation – Bank statements are reconciled to the Foundation Treasurer’s ledger monthly, but there is no evidence the reconciliations are reviewed by an independent person.

Recommendation – The bank reconciliations should be reviewed by an independent person and the review should be documented by the signature or initials of the reviewer and the date of the review.

Response – The Foundation Treasurer will reconcile the bank statements and have them reviewed by a Foundation Board Member and/or President and have both the Treasurer and the reviewer initial and date.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Ida County

Schedule of Findings

Year ended June 30, 2015

Other Findings Related to Required Statutory Reporting:

- (1) Certified Budget – Disbursements during the year ended June 30, 2015 did not exceed the amounts budgeted by function.
- (2) Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- (3) Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- (4) Business Transactions – No business transactions between the County and County officials or employees were noted.
- (5) Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- (6) Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- (7) Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County’s investment policy were noted.
- (8) Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- (9) Financial Assurance – The County has demonstrated financial assurance for closure and postclosure care by establishing local government dedicated funds as provided in Chapter 567-113.14(6) of the Iowa Administrative Code. Total estimated costs for postclosure care are \$323,380 and total estimated costs for transfer station closure care is \$1,724. The balance restricted for landfill closure and postclosure care at June 30, 2015 is \$345,297. Therefore, the closure and postclosure care costs are fully funded at June 30, 2015.
- (10) 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, 2015 for the Ida County Extension Office did not exceed the amount budgeted.

Ida County

Schedule of Findings

Year ended June 30, 2015

- (11) Public Safety and Communications Commission Meetings – Chapter 28E.6(3)(a) of the Code of Iowa states, “A summary of the proceedings of each regular, adjourned, or special meeting of the joint board of the entity created in the agreement, including the schedule of bills allowed, shall be published after adjournment of the meeting in one newspaper of general circulation within the geographic area served by the joint board of the entity created in the agreement. The summary of proceedings shall include the date, time, and place the meeting was held, the members present, and the actions taken at the meeting. The joint board of the entity created in the agreement shall furnish the summary of the proceedings to be submitted for publication to the newspaper within twenty days following adjournment of the meeting.”

The summary of proceedings for Public Safety and Communications Commission meetings was not published during fiscal year 2015 although the bills allowed are published with the County’s schedule of bills allowed.

Recommendation – The Public Safety and Communications Commission should publish a summary of proceedings for each meeting as required by Chapter 28E.6(3)(a) of the Code of Iowa.

Response – We will begin to provide meeting minutes to the Ida County Courier which is the official newspaper of Ida County.

Conclusion – Response accepted.

- (12) Annual Urban Renewal Report – The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1, 2014. However, the amount reported as TIF debt outstanding was overstated by \$322,522.

Recommendation – The County should ensure the amount reported as TIF debt outstanding agrees with the County’s records.

Response – The County will ensure the amount reported as TIF outstanding agrees with the County’s records.

Conclusion – Response accepted.

- (13) Tax Increment Financing (TIF) Indebtedness Certification – Chapter 403.19 of the Code of Iowa provides a municipality shall certify loans, advances, indebtedness and bonds (indebtedness) to the County Auditor. Such certification makes it a duty of the County Auditor to provide for the division of property tax to repay the certified indebtedness and, as such, the County Auditor shall provide available TIF incremental property tax in subsequent fiscal years without further certification until the amount of certified indebtedness is paid to the County. Indebtedness incurred is to be certified by the County Auditor and then the divided property tax is to be used to pay the principal of and the interest on the certified indebtedness.

The County certified \$680,270 of debt for road improvements based upon a combination of projected and actual costs. \$128,102 of the amount certified was for work performed outside of the urban renewal area and \$89,851 of the amount certified could not be traced to supporting documentation. Accordingly, debt for the road improvements has been over certified by \$217,953.

Ida County

Schedule of Findings

Year ended June 30, 2015

Recommendation – The County should decertify \$217,953 of TIF debt to eliminate the work performed outside of the urban renewal area and amounts not supported.

Response – The County will decertify \$217,953 of TIF debt to eliminate the portion for work performed outside of the urban renewal area and amounts not supported.

Conclusion – Response accepted.

Ida County

Staff

This audit was performed by:

Brian R. Brustkern, CPA, Manager
Stephen J. Hoffman, Senior Auditor
Chad C. Lynch, Staff Auditor
Dan S. Nilsen, Staff Auditor
Ryan M. Barrett, Assistant Auditor
Elizabeth P. Dawson, Auditor Intern
Cole J. Hanley, Auditor Intern

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

Andrew E. Nielsen, CPA
Deputy Auditor of State