



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

David A. Vaudt, CPA
Auditor of State

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NEWS RELEASE

FOR RELEASE _____ April 1, 2004

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

The County had local tax revenue of \$8,458,110 for the year ended June 30, 2003, which included \$528,795 in tax credits from the state. The County forwarded \$6,567,970 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$1,890,140 of the local tax revenue to finance County operations, a two percent increase from the prior year. Other revenues included \$2,141,248 from other governments and \$79,810 in interest on investments.

Expenditures for County operations totaled \$5,147,065, a sixteen percent increase from the prior year. Expenditures included \$2,129,355 for roads and transportation, \$600,863 for mental health and \$521,064 for administration. The significant increase in expenditures is due primarily to secondary roads department equipment purchases, operations and roadway construction.

A copy of the audit report is available for review in the Office of Auditor of State and the County Auditor's office.

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IDA COUNTY
INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION
SCHEDULE OF FINDINGS
JUNE 30, 2003

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Ida County

Officials

(Before January 2003)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Jerry Ralston	Board of Supervisors	Jan 2003
Joseph L. Cronin	Board of Supervisors	Jan 2005
Robert Paulsrud	Board of Supervisors	Jan 2005
Lorna Steenbock	County Auditor	Jan 2005
Kay Cork	County Treasurer	Jan 2003
James Clausen	County Recorder	Jan 2003
Wade Harriman	County Sheriff	Jan 2005
Edward Jacobsen	County Attorney	(Resigned)
Kristal Phillips (Appointed)	County Attorney	Nov 2002
Marva Bennigsdorf	County Assessor	Jan 2004

(After January 2003)

Joseph L. Cronin	Board of Supervisors	Jan 2005
Robert Paulsrud	Board of Supervisors	Jan 2005
Jerry Ralston	Board of Supervisors	Jan 2007
Lorna Steenbock	County Auditor	Jan 2005
Kay Cork	County Treasurer	Jan 2007
James Clausen	County Recorder	Jan 2007
Wade Harriman	County Sheriff	Jan 2005
Kristal Phillips	County Attorney	Jan 2007
Marva Bennigsdorf	County Assessor	Jan 2004

Ida County



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Independent Auditor's Report

To the Officials of Ida County:

We have audited the accompanying general purpose financial statements, listed as exhibits in the table of contents of this report, of Ida County, Iowa, as of and for the year ended June 30, 2003. These general purpose financial statements are the responsibility of Ida County's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Ida County at June 30, 2003, and the results of its operations and the cash flows of its proprietary fund type for the year then ended, in conformity with U.S. generally accepted accounting principles. Also, the Comparison of Receipts, Disbursements and Changes in Balances - Actual to Budget (Cash Basis) presents fairly, in all material respects, the cash transactions and the legally adopted budget of the governmental fund types of Ida County for the year ended June 30, 2003.

As discussed in note 14 to the financial statements, Ida County intends to implement Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments; Statement No. 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus; and Statement No. 38, Certain Financial Statement Note Disclosures, for the year ending June 30, 2004. The effects of these statements are expected to significantly impact the presentation of the County's financial statements and related notes in the year of implementation. The revised requirements include the use of the economic resources measurement focus and full accrual accounting, as well as an analytical overview of the County's financial activities in the Management's Discussion and Analysis introduction to the financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated February 12, 2004 on our consideration of Ida County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the general purpose financial statements for the three years ended June 30, 2002 (none of which are presented herein) and expressed unqualified opinions on those financial statements. The supplemental information included in Schedules 1 through 10 is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information, has been subjected to the auditing procedures applied in our audit of the aforementioned financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

February 12, 2004

Financial Statements

Ida County
 Combined Balance Sheet
 All Fund Types and Account Groups
 June 30, 2003

	Governmental Fund Types	
	General	Special Revenue
Assets and Other Debits		
Cash and pooled investments:		
County Treasurer	\$ 980,848	2,193,899
Other County officials	-	-
Receivables:		
Property tax:		
Delinquent	354	111
Succeeding year	1,113,000	674,000
Interest and penalty on property tax	240	-
Accounts	9,496	20,178
Accrued interest	4,581	599
Special assessments	-	-
Due from other funds (note 3)	23,544	196
Due from other governments	46,837	127,804
Property and equipment (note 4)	-	-
Inventories	-	292,370
Prepaid insurance	48,400	31,344
Amount available for landfill closure and postclosure care	-	-
Amount to be provided for retirement of general long-term debt	-	-
Total assets and other debits	\$ 2,227,300	3,340,501

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
		General Fixed Assets	General Long-Term Debt	
232,648	524,073	-	-	3,931,468
-	23,758	-	-	23,758
-	2,359	-	-	2,824
-	6,079,000	-	-	7,866,000
-	-	-	-	240
-	13,805	-	-	43,479
382	382	-	-	5,944
-	29,970	-	-	29,970
-	232	-	-	23,972
-	3,970	-	-	178,611
-	-	6,169,379	-	6,169,379
-	-	-	-	292,370
-	-	-	-	79,744
-	-	-	332,190	332,190
-	-	-	61,221	61,221
<u>233,030</u>	<u>6,677,549</u>	<u>6,169,379</u>	<u>393,411</u>	<u>19,041,170</u>

Ida County
 Combined Balance Sheet
 All Fund Types and Account Groups
 June 30, 2003

	Governmental Fund Types	
	General	Special Revenue
Liabilities, Fund Equity and Other Credits		
Liabilities:		
Accounts payable	\$ 24,743	105,439
Salaries and benefits payable	6,354	10,486
Due to other funds (note 3)	-	-
Due to other governments (note 5)	3,688	70,382
Trusts payable	-	-
Deferred revenue:		
Succeeding year property tax	1,113,000	674,000
Other	3,775	111
Compensated absences	4,278	9,588
Estimated liability for landfill closure and postclosure care (note 11)	-	-
Total liabilities	1,155,838	870,006
Fund equity and other credits:		
Investment in general fixed assets	-	-
Unreserved retained earnings	-	-
Fund balances:		
Reserved for:		
Inventories	-	292,370
Prepaid insurance	48,400	31,344
Medicaid contingencies	1,379	-
Landfill closure and postclosure care	-	332,190
Unreserved:		
Designated for computer equipment	10,000	-
Designated for conservation equipment	22,366	-
Undesignated	989,317	1,814,591
Total fund equity and other credits	1,071,462	2,470,495
Total liabilities, fund equity and other credits	\$ 2,227,300	3,340,501

See notes to financial statements.

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
		General Fixed Assets	General Long-Term Debt	
3,375	25,665	-	-	159,222
-	591	-	-	17,431
-	23,972	-	-	23,972
-	6,584,413	-	-	6,658,483
-	1,775	-	-	1,775
-	-	-	-	1,787,000
-	-	-	-	3,886
-	41,133	-	49,473	104,472
-	-	-	343,938	343,938
3,375	6,677,549	-	393,411	9,100,179
-	-	6,169,379	-	6,169,379
229,655	-	-	-	229,655
-	-	-	-	292,370
-	-	-	-	79,744
-	-	-	-	1,379
-	-	-	-	332,190
-	-	-	-	10,000
-	-	-	-	22,366
-	-	-	-	2,803,908
229,655	-	6,169,379	-	9,940,991
233,030	6,677,549	6,169,379	393,411	19,041,170

Ida County

Ida County

Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - All Governmental Fund Types

Year ended June 30, 2003

	Governmental Fund Types		Total (Memorandum Only)
	General	Special Revenue	
Revenues:			
Property and other County tax	\$ 1,190,597	563,057	1,753,654
Interest and penalty on property tax	13,930	-	13,930
Intergovernmental	349,831	1,927,903	2,277,734
Licenses and permits	8,772	105	8,877
Charges for service	211,412	125,465	336,877
Use of money and property	71,555	5,879	77,434
Miscellaneous	19,601	18,148	37,749
Total revenues	<u>1,865,698</u>	<u>2,640,557</u>	<u>4,506,255</u>
Expenditures:			
Operating:			
Public safety and legal services	462,317	378	462,695
Physical health and social services	414,539	-	414,539
Mental health	-	600,863	600,863
County environment and education	154,158	198,268	352,426
Roads and transportation	-	2,129,355	2,129,355
Governmental services to residents	218,386	-	218,386
Administration	521,064	-	521,064
Capital projects	-	447,737	447,737
Total expenditures	<u>1,770,464</u>	<u>3,376,601</u>	<u>5,147,065</u>
Excess (deficiency) of revenues over (under) expenditures	<u>95,234</u>	<u>(736,044)</u>	<u>(640,810)</u>
Other financing sources (uses):			
Sale of general fixed assets	81	26,130	26,211
Solid waste alternative program note proceeds	-	10,284	10,284
Operating transfers in	-	748,534	748,534
Operating transfers out	(62,806)	(685,728)	(748,534)
Total other financing sources (uses)	<u>(62,725)</u>	<u>99,220</u>	<u>36,495</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>32,509</u>	<u>(636,824)</u>	<u>(604,315)</u>
Fund balances beginning of year	1,045,278	3,092,100	4,137,378
Increase (decrease) in reserve for:			
Inventories	-	13,702	13,702
Prepaid insurance	(6,325)	1,517	(4,808)
Fund balances end of year	<u>\$ 1,071,462</u>	<u>2,470,495</u>	<u>3,541,957</u>

See notes to financial statements.

Exhibit C

Ida County

Comparison of Receipts, Disbursements and
Changes in Balances - Actual to Budget (Cash Basis)
All Governmental Fund Types

Year ended June 30, 2003

	Actual	Amended Budget	Variance - Favorable (Unfavorable)	Actual as % of Amended Budget
Receipts:				
Property and other County tax	\$ 1,753,669	1,771,583	(17,914)	99%
Interest and penalty on property tax	14,034	6,000	8,034	234%
Intergovernmental	2,280,146	2,426,249	(146,103)	94%
Licenses and permits	9,153	9,950	(797)	92%
Charges for service	333,601	314,740	18,861	106%
Use of money and property	79,805	77,680	2,125	103%
Miscellaneous	33,692	20,300	13,392	166%
Total receipts	<u>4,504,100</u>	<u>4,626,502</u>	<u>(122,402)</u>	<u>97%</u>
Disbursements:				
Public safety and legal services	460,053	497,114	37,061	93%
Physical health and social services	419,129	473,848	54,719	88%
Mental health	599,999	608,716	8,717	99%
County environment and education	347,216	434,232	87,016	80%
Roads and transportation	2,107,260	2,145,660	38,400	98%
Governmental services to residents	217,218	219,425	2,207	99%
Administration	518,886	598,667	79,781	87%
Capital projects	447,737	410,000	(37,737)	109%
Total disbursements	<u>5,117,498</u>	<u>5,387,662</u>	<u>270,164</u>	<u>95%</u>
Deficiency of receipts under disbursements	(613,398)	(761,160)		
Other financing sources, net	<u>26,211</u>	<u>600</u>		
Deficiency of receipts and other financing sources under disbursements	(587,187)	(760,560)		
Balance beginning of year	<u>3,761,934</u>	<u>2,759,847</u>		
Balance end of year	<u>\$ 3,174,747</u>	<u>1,999,287</u>		

See notes to financial statements.

Ida County

Combined Statement of Revenues, Expenses and Changes In Retained Earnings

Proprietary Fund Type

Year ended June 30, 2003

	<u>Internal Service</u>	
Operating revenues:		
Charges for service:		
Reimbursements from operating funds	\$ 22,883	
Employee contributions	<u>15,149</u>	\$ 38,032
Operating expenses:		
Health claims	14,056	
Plan benefit reimbursements to employees	<u>15,134</u>	<u>29,190</u>
Operating income		8,842
Non-operating revenues:		
Interest on investments		<u>3,926</u>
Net income		12,768
Retained earnings beginning of year		<u>216,887</u>
Retained earnings end of year		<u>\$ 229,655</u>

See notes to financial statements.

Exhibit E

Ida County
Combined Statement of Cash Flows
Proprietary Fund Type
Year ended June 30, 2003

	<u>Internal Service</u>
Cash flows from operating activities:	
Cash received from operating funds	\$ 22,883
Cash received from employees	15,129
Cash received from miscellaneous receipts	25
Cash paid for health claims	(14,056)
Cash paid for plan benefit reimbursements to employees	<u>(15,134)</u>
Net cash provided by operating activities	8,847
Cash flows from investing activities:	
Interest on investments	<u>3,947</u>
Net increase in cash and cash equivalents	12,794
Cash and cash equivalents beginning of year	<u>219,854</u>
Cash and cash equivalents end of year	<u><u>\$ 232,648</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 8,842
Adjustment to reconcile operating income to net cash provided by operating activities:	
Increase in accounts payable	<u>5</u>
Net cash provided by operating activities	<u><u>\$ 8,847</u></u>

See notes to financial statements.

Ida County
Notes to Financial Statements
June 30, 2003

(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.

A. Reporting Entity

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

Joint Venture - Ida County is a member of the Ida County Public Safety and Communications Commission established pursuant to Chapter 28E of the Code of Iowa. The Commission plans for County-wide law enforcement and communications within the boundaries of Ida County, Iowa, including all rural areas and participating municipalities. The Commission also can contract with any and all public agencies who wish to enter into contracts with the Commission for the provision of law enforcement, communications, and all public safety services. The Commission will furnish 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 board is composed of the three representatives selected by and from the Ida County Board of Supervisors and one representative selected by each participating municipality. The Commission is funded primarily by assessments made against each participating member. The County's participating share cannot be less than 45 percent of the annual budget. The County has an ongoing financial responsibility to the Commission for its continued existence. Membership in the Commission for the year ended June 30, 2003 included four municipalities and the County. Ida County contributed \$302,968 and the municipalities contributed \$370,293 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 organization and, as such, are reported in an Agency Fund of the County.

Jointly Governed Organizations - The County participates in several jointly governed organizations for which the County is not financially accountable or that the nature and significance of the relationship with the County are such that exclusion does not cause the County's financial statements to be misleading or incomplete. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Ida County Assessor's Conference Board, Ida County Emergency Management Commission and the Ida County E911 Service Board. Financial transactions of these organizations are also 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 additional jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa: West Central Iowa Sheltered Workshop, Siouxland Regional 12 Transit, Regional 12 Landfill, Third Judicial District Department of Corrections, Mid Sioux Community Action Agency, Northwest Iowa Multicounty Regional Detention Center and Simpco.

B. Fund Accounting

The accounts of the County are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balances, revenues and expenditures or expenses. The various funds and account groups and their designated purposes are as follows:

Governmental Funds

General Fund - The General Fund is the general operating fund of the County. All general tax revenues and other revenues that are 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 that are not paid from other funds.

Special Revenue Funds - The Special Revenue Funds are used to account for revenues derived from specific sources which are usually required by law or regulation to be accounted for in separate funds.

Proprietary Fund

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

Fiduciary Funds

Agency Funds - The Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds. Agency Funds are custodial in nature, assets equal liabilities, and do not involve measurement of results of operations.

Account Groups

General Fixed Assets - This account group is established to account for the general fixed assets of the County.

General Long-Term Debt - This account group is established to account for long-term debt of the County. Long-term liabilities expected to be financed from Governmental Funds are accounted for in this account group, not in the Governmental Funds.

C. Measurement Focus

Governmental Funds are accounted for on a spending or “financial flow” measurement focus. This means only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance is considered a measure of “available spendable resources.” Governmental Fund operating statements present increases, revenues and other financing sources, and decreases, expenditures and other financing uses in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Proprietary Funds are accounted for on a cost of services or “capital maintenance” measurement focus. This means all assets and all liabilities, whether current or non-current, associated with their activity are included on their balance sheets. Their reported fund equity, net total assets, is reported as retained earnings. Proprietary Fund operating statements present increases (revenue) and decreases (expenses) in net total assets.

In reporting the financial activity of its Proprietary Funds, the County applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when they become both measurable and available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred. Disbursements for the purchase of assets providing future benefits are recorded as expenditures at the time of purchase.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

All Proprietary Funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The assets and liabilities of the Agency Funds are accounted for using the modified accrual basis of accounting.

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.

E. Assets, Liabilities and Fund Equity

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

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

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

Property Tax Receivable - Property tax in Governmental Funds are 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 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, 2001 assessed property valuations; is for the tax accrual period July 1, 2002 through June 30, 2003 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March, 2002.

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

Special Assessments Receivable - Special assessments receivable represent the amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in not less than ten nor more than twenty annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Special assessments receivable represent assessments which are due and payable but have not been collected.

Due from and Due to Other Funds - During the course of its operations, the County has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2003, balances of interfund amounts receivable or payable have been recorded.

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

Inventories - Inventories are valued at cost using the first-in, first-out method. Inventories in the Special Revenue Funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. Reported inventories are equally offset by a fund balance reserve which indicates they are not available to liquidate current obligations.

General Fixed Assets - General fixed assets are recorded as expenditures in the Governmental Funds and are capitalized (recorded and accounted for) in the General Fixed Assets Account Group. Assets in this account group are recorded at historical cost. Assets acquired by gift are accounted for at fair market value at the date of the gift. The General Fixed Assets Account Group excludes public domain or "infrastructure" general fixed assets such as roads, bridges, curbs, gutters, streets, sidewalks and similar assets that are immovable and of value only to the government.

In accordance with standards set forth by the Governmental Accounting Standards Board, depreciation expense is not recorded on the balance sheet for general fixed assets. At the time an asset is removed from service, the cost is removed from the General Fixed Assets Account Group. Maintenance and repairs are recorded as expenditures in the Governmental Funds as incurred and are not capitalized.

During the year ended June 30, 2003, no interest costs were capitalized since the County's policy is not to capitalize interest costs on assets constructed or acquired with tax-exempt debt paid for from annual debt service tax levies.

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

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

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and compensatory time hours for subsequent use or for payment upon termination, death or retirement. For the Agency Funds, these accumulations are recorded as liabilities in the year earned. In the Governmental Funds, the cost of vacation and compensatory time payments expected to be liquidated currently are recorded as liabilities of the Governmental Fund. A liability has been recorded in the General Long-Term Debt Account Group representing the County's commitment to fund non-current compensated absences. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2003.

Unreserved Retained Earnings – The unreserved retained earnings of the Employee Health Insurance Fund is designated for anticipated future catastrophic losses of the County.

F. Budgets and Budgetary Accounting

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

Formal and legal budgetary control is based upon 10 major classes of expenditures known as functions, not by fund or fund type. These 10 functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund and the Special Revenue Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not at the fund or fund type level. Legal budgetary control is also based upon the appropriation to each office or department.

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.

Exhibit C is a comparison of cash basis receipts, disbursements, and changes in balances with the cash basis budget, which is legally controlled by fundction, not fund type. Operations and ending fund balances on the cash and modified accrual basis have been reconciled as follows:

	Governmental Fund Types					
	General			Special Revenue		
	Cash Basis	Accrual Adjust-ments	Modified Accrual Basis	Cash Basis	Accrual Adjust-ments	Modified Accrual Basis
Revenues	\$ 1,860,299	5,399	1,865,698	2,643,801	(3,244)	2,640,557
Expenditures	1,763,204	7,260	1,770,464	3,354,294	22,307	3,376,601
Net	97,095	(1,861)	95,234	(710,493)	(25,551)	(736,044)
Other financing sources (uses)	(61,839)	(886)	(62,725)	88,050	11,170	99,220
Beginning fund balances	945,592	99,686	1,045,278	2,816,342	275,758	3,092,100
Increase (decrease) in reserve for:						
Inventories	-	-	-	-	13,702	13,702
Prepaid insurance	-	(6,325)	(6,325)	-	1,517	1,517
Ending fund balances	\$ 980,848	90,614	1,071,462	2,193,899	276,596	2,470,495
	<hr/>					
	Total					
	Cash Basis	Accrual Adjust-ments	Modified Accrual Basis			
Revenues	\$ 4,504,100	2,155	4,506,255			
Expenditures	5,117,498	29,567	5,147,065			
Net	(613,398)	(27,412)	(640,810)			
Other financing sources (uses)	26,211	10,284	36,495			
Beginning fund balances	3,761,934	375,444	4,137,378			
Increase (decrease) in reserve for:						
Inventories	-	13,702	13,702			
Prepaid insurance	-	(4,808)	(4,808)			
Ending fund balances	\$3,174,747	367,210	3,541,957			

G. Total (Memorandum Only)

The total column on the combined balance sheet and the combined statement of revenues, expenditures and changes in fund balances is captioned "Memorandum Only" to indicate it is presented only to facilitate financial analysis. Data in these columns does not present financial position or results of operations in conformity with U.S. generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

(2) Cash and Pooled Investments

The County's deposits in banks at June 30, 2003 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

The County had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 3.

(3) Due From and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2003 is as follows:

Receivable Fund	Payable Fund	Amount
General	Trust and Agency:	
	Recorder	\$ 12,725
	Sheriff	5,324
	Auto License, Driver's License and Use Tax	5,495
Special Revenue:		
County Recorder's Records Management	Trust and Agency: Recorder	196
Trust and Agency: Sheriff	Public Safety and Communications Commission-Confiscated Property	<u>232</u>
Total		<u>\$ 23,972</u>

(4) Property and Equipment

A summary of property and equipment comprising general fixed assets for the year ended June 30, 2003 is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Land	\$ 270,483	-	-	270,483
Buildings	1,557,408	-	-	1,557,408
Equipment	<u>4,068,274</u>	<u>491,430</u>	<u>218,216</u>	<u>4,341,488</u>
Total	<u>\$5,896,165</u>	<u>491,430</u>	<u>218,216</u>	<u>6,169,379</u>

(5) Due to Other Governments

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

Fund	Description	Amount
General	Services	\$ 3,688
Special Revenue:		
Rural Services	Services	369
Secondary Roads		225
Mental Health		69,788
		<u>70,382</u>
Trust and Agency:		
County Assessor	Collections	176,848
Schools		4,444,988
Community Colleges		202,247
Corporations		1,218,307
Townships		128,840
Auto License, Driver's License and Use Tax		157,155
E911 Surcharge		109,409
All other		146,619
		<u>6,584,413</u>
Total		<u>\$ 6,658,483</u>

(6) Changes in Long-Term Debt

A summary of changes in long-term debt for the year ended June 30, 2003 is as follows:

	Compensated Absences	Estimated Liability for Closure and Postclosure Care Costs	Total
Balance beginning of year	\$ 50,946	323,024	373,970
Additions	-	20,914	20,914
Reductions	<u>1,473</u>	-	<u>1,473</u>
Balance end of year	<u>\$ 49,473</u>	<u>343,938</u>	<u>393,411</u>

(7) Pension and Retirement Benefits

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

Plan members are required to contribute 3.70% of their annual covered salary and the County is required to contribute 5.75% of annual covered payroll except for law enforcement employees, in which case the percentages are 5.37% and 8.05%, respectively. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2003, 2002, and 2001 were \$99,388, \$100,689 and \$96,410, respectively, equal to the required contributions for each year.

(8) Risk Management

Ida County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool with over 400 members, including 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 official's liability, police professional liability, property and inland marine. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained to equal 300 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

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

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's annual contributions to the Pool for the year ended June 30, 2003 were \$89,477.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$250,000 per claim. Claims exceeding \$250,000 are reinsured in an amount not to exceed \$1,750,000 per claim and \$5,000,000 in aggregate per year. For members requiring specific coverage from \$2,000,000 to \$15,000,000, such excess coverage is also reinsured. All property risks, including automobile physical damage, are also reinsured on an individual-member basis.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2003, no liability has been recorded in the County's financial statements. As of June 30, 2003, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation, employee blanket bond and boiler and machinery. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(9) Employee Group Health Benefit Plan

The Employee Group Health Benefit Plan was established to account for the partial self funding of the County's health insurance benefit plan. Effective July 1, 1993, Ida County entered into an administrative services agreement with Wellmark to administer the plan. The agreement is subject to automatic renewal provisions.

Monthly payments of service fees and plan contributions are recorded as expenditures in the operating funds at the time of payment from the operating funds to the Internal Service, Employee Health Insurance Fund administered by the County Auditor. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Wellmark from the Internal Service, Employee Health Insurance Fund. The County's contribution to the fund for the year ended June 30, 2003 was \$22,883.

The County's plan is a partial self-funded health plan. The County sponsors a group insurance policy which provides comprehensive hospital and medical coverage for eligible employees and, if elected, their spouses and dependents. Under the partial self-funded plan, the County will reimburse an eligible employee for a portion of the deductible and coinsurance expenses under the contract.

Amounts payable from the Internal Service, Employee Health Insurance Fund at June 30, 2003 is estimated at \$3,000, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior-year and current-year claims and to establish a reserve for catastrophic losses. That reserve was \$229,655 at June 30, 2003 and is reported as a designation of the Internal Service, Employee Health Insurance Fund retained earnings. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liabilities for claims for the current year is as follows:

Unpaid claims at July 1, 2002	\$ 3,000
Incurred claims (including claims incurred but not reported as of June 30, 2003)	14,056
Payments on claims during the year	<u>(14,056)</u>
Unpaid claims at June 30, 2003	<u><u>\$ 3,000</u></u>

(10) Cafeteria Plan

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

(11) Landfill Closure and Postclosure Care

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

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

The total costs for the County Landfill have been estimated at \$133,913 for closure and \$381,900 for postclosure, for a total of \$515,813 as of June 30, 2003. The portion of the liability that has been recognized is \$66,775 for closure and \$277,163 for postclosure, for a total of \$343,938. This liability represents the cumulative amount reported to date based on the use of approximately 67% of the capacity of the landfill with a remaining life of 4.67 years. A provision for the above liability has been made on the County's balance sheet as of June 30, 2003. The County has begun to accumulate resources to fund these costs and, at June 30, 2003, deposits of \$332,190 were held in the Special Revenue, Sanitary Landfill Closure/Postclosure Trust Fund, of which \$97,440 has been designated for closure and \$234,750 for postclosure costs.

(12) Solid Waste Tonnage Fees Retained

The County has established an account for restricting and using solid waste tonnage fees retained by the County. At June 30, 2003, the County had no unspent amounts retained or restricted for the required purposes.

(13) Solid Waste Alternatives Program Note

Ida County entered into a Solid Waste Alternatives Program contract and loan agreement with the Iowa Department of Natural Resources (Department), dated April 17, 2001, for \$67,562. The contract agreement is for developing and implementing an extensive public awareness and education program associated with a county ordinance banning recyclables from the landfill. The loan consists of a \$36,437 forgivable loan and a \$31,125 no interest conventional loan. Through June 30, 2003, the County expended \$48,583 and claimed and received forgivable loan proceeds of \$36,437 (75%) from the Department, including \$10,284 received during the year ended June 30, 2003. Since the County has received no proceeds from the interest free conventional loan and the conditions of the forgivable loan were met at June 30, 2003, there is no liability for repayment by the County at June 30, 2003.

(14) Prospective Accounting Change

The Governmental Accounting Standards Board has issued Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments; Statement No. 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus; and Statement No. 38, Certain Financial Statement Note Disclosures. These statements will be implemented for the year ending June 30, 2004. The effects are expected to significantly impact the presentation of the County's financial statements in the year of implementation. The revised requirements include using the economic resources measurement focus and full accrual accounting. Also, the revised minimum reporting requirements include Management's Discussion and Analysis to introduce the financial statements and to provide an analytical overview of the County's financial activities.

(15) Joint Venture

Ida County participates in the Ida County Public Safety and Communications Commission, a joint venture 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 an Agency Fund because of the County's fiduciary relationship with the organization. The following financial data is for the year ended June 30, 2003:

	Public Safety and Communications Commission		
	Confiscated		
	Operating	Property	Total
Additions:			
Contributions from governmental units:			
Ida County	\$ 302,968	-	302,968
Ida Grove	196,323	-	196,323
Holstein	122,803	-	122,803
Arthur	20,467	-	20,467
Galva	30,700	-	30,700
	<u>673,261</u>	-	<u>673,261</u>
Miscellaneous:			
Communications Center reimbursement from			
Battle Creek	12,108	-	12,108
Prisoner boarding fees	14,766	-	14,766
Miscellaneous	7,827	1,980	9,807
	<u>34,701</u>	<u>1,980</u>	<u>36,681</u>
Total additions	<u>707,962</u>	<u>1,980</u>	<u>709,942</u>
Deductions:			
Salaries and wages	402,734	-	402,734
Benefits	166,460	-	166,460
Iowa system rental	3,885	-	3,885
Postage and mailing	817	-	817
Office supplies	12,660	-	12,660
Mileage and subsistence	130	-	130
Education and training	7,473	-	7,473
Uniform allowance	2,849	-	2,849
Insurance	7,688	-	7,688
Equipment maintenance and repair	22,201	-	22,201
Motor vehicles and equipment	33,797	-	33,797
Motor vehicle supplies	30,482	-	30,482
Telephone and fax	7,632	-	7,632
Radio equipment repair and maintenance	4,992	-	4,992
Investigations	552	6,288	6,840
Jail food and provisions	9,922	-	9,922
Jail supplies	1,563	-	1,563
Medical	220	-	220
Improvements	1,481	-	1,481
Housing at other facilities	800	-	800
Miscellaneous	3,850	-	3,850
Total deductions	<u>722,188</u>	<u>6,288</u>	<u>728,476</u>
Net	(14,226)	(4,308)	(18,534)
Balance beginning of year	<u>79,705</u>	<u>4,868</u>	<u>84,573</u>
Balance end of year	<u>\$ 65,479</u>	<u>560</u>	<u>66,039</u>

Supplemental Information

Ida County

Ida County

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended June 30, 2003

Revenues:

Property and other County tax:		
Property tax	\$ 1,150,774	
Utility tax replacement excise tax	38,688	
Other	<u>1,135</u>	\$ 1,190,597
Interest and penalty on property tax		13,930
Intergovernmental:		
State shared revenues:		
Franchise tax	20,028	
Liquor license	<u>618</u>	
	<u>20,646</u>	
State tax replacements:		
State tax credits	<u>93,498</u>	
State and federal pass-thru revenues:		
Human services administrative reimbursement	14,152	
Bio-terrorism program	24,722	
Other	<u>13,838</u>	
	<u>52,712</u>	
Contributions from other governmental units:	<u>21,789</u>	
State grants and entitlements:		
Home care aide grant	28,857	
Public health nurse grants	11,943	
Well testing and abandonment	9,381	
Ambulance system grant - EMS	25,515	
Other	<u>18,004</u>	
	<u>93,700</u>	
Federal grants and entitlements:		
Medicare and medicaid	<u>67,486</u>	349,831
Licenses and permits		8,772

Schedule 1

Ida County

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended June 30, 2003

Revenues (continued):		
Charges for service:		
Office fees and collections	69,815	
Auto registration, use tax, driver's licence and mailing	62,488	
Recreational fees	22,788	
Health fees	52,956	
Other	<u>3,365</u>	211,412
Use of money and property:		
Interest on investments	70,255	
Rent	<u>1,300</u>	71,555
Miscellaneous		<u>19,601</u>
Total revenues		<u>1,865,698</u>
Expenditures:		
Operating:		
Public safety and legal services		462,317
Physical health and social services		414,539
County environment and education		154,158
Governmental services to residents		218,386
Administration		<u>521,064</u>
Total expenditures		<u>1,770,464</u>
Excess of revenues over expenditures		<u>95,234</u>
Other financing sources (uses):		
Sale of general fixed assets		81
Operating transfers out:		
Special Revenue:		
Secondary Roads		<u>(62,806)</u>
Total other financing sources (uses)		<u>(62,725)</u>
Excess of revenues and other financing sources over expenditures and other financing uses		32,509
Fund balance beginning of year		1,045,278
Decrease in reserve for prepaid insurance		<u>(6,325)</u>
Fund balance end of year		<u>\$ 1,071,462</u>

See accompanying independent auditor's report.

Ida County

General Fund

Statement of Expenditures

Year ended June 30, 2003

Public safety and legal services:

Law enforcement:

Investigations	\$ 1,239	
Unified law enforcement	302,968	
	<u>304,207</u>	

Legal services:

Criminal prosecution	93,216	
Medical examinations	8,780	
	<u>101,996</u>	

Emergency services:

Ambulance services	29,827	
Emergency management	15,941	
	<u>45,768</u>	

Assistance to district court system:

Physical operations	405	
Research and other assistance	7,582	
	<u>7,987</u>	

Court proceedings:

Court costs	1,440	
Detention service	9	
Service of civil papers	509	
	<u>1,958</u>	

Juvenile justice administration:

Court-appointed attorneys and court costs for juveniles	<u>401</u>	\$ 462,317
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Physical health and social services:

Physical health services:

Personal and family health services	55,462	
Communicable disease prevention and control	19,184	
Sanitation	24,760	
Health administration	133,267	
	<u>232,673</u>	

Services to the poor:

Administration	9,468	
General welfare services	5,873	
	<u>15,341</u>	

Schedule 2

Ida County

General Fund

Statement of Expenditures

Year ended June 30, 2003

Physical health and social services (continued):

Services to military veterans:

Administration	6,226	
General services to veterans	<u>4,381</u>	
	<u>10,607</u>	

Children's and family services:

Youth guidance	10,098	
Family protective services	<u>22,232</u>	
	<u>32,330</u>	

Services to other adults:

Services to the elderly	<u>123,588</u>	414,539
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County environment and education:

Conservation and recreation services:

Administration	92,778	
Maintenance and operations	<u>46,171</u>	
	<u>138,949</u>	

Animal control:

Animal bounties	197	
Animal shelter	<u>12</u>	
	<u>209</u>	

Educational services:

Fair and 4-H clubs	<u>15,000</u>	154,158
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Governmental services to residents:

Representation services:

Elections administration	45,322	
Elections	1,132	
Township officials	<u>2,369</u>	
	<u>48,823</u>	

State administrative services:

Motor vehicle registrations and licensing	79,183	
Recording of public documents	<u>90,380</u>	
	<u>169,563</u>	218,386

Ida County

General Fund

Statement of Expenditures

Year ended June 30, 2003

Administration:

Policy and administration:

General County management	104,855	
Administrative management services	84,788	
Treasury management services	62,635	
Other policy and administration	<u>42,344</u>	
	<u>294,622</u>	

Central services:

General services	111,721	
Data processing services	<u>42,881</u>	
	<u>154,602</u>	

Risk management services:

Safety of the workplace	25,100	
Tort liability	<u>46,740</u>	
	<u>71,840</u>	

521,064

Total

\$ 1,770,464

See accompanying independent auditor's report.

Ida County
Special Revenue Funds
Combining Balance Sheet
June 30, 2003

	Rural Services	Secondary Roads	Resource Enhance- ment and Protection	County Recorder's Records Management	Mental Health
Assets					
Cash and pooled investments	\$ 777,972	564,638	23,894	6,368	361,484
Receivables:					
Property tax:					
Delinquent	82	-	-	-	29
Succeeding year	584,000	-	-	-	90,000
Accounts	19,899	279	-	-	-
Accrued interest	-	-	26	-	-
Due from other funds	-	-	-	196	-
Due from other governments	-	125,407	233	-	2,164
Inventories	-	292,370	-	-	-
Prepaid insurance	17,844	13,500	-	-	-
Total assets	\$ 1,399,797	996,194	24,153	6,564	453,677
Liabilities and Fund Equity					
Liabilities:					
Accounts payable	\$ 3,107	86,507	-	-	15,825
Salaries and benefits payable	408	10,078	-	-	-
Due to other governments	369	225	-	-	69,788
Deferred revenue:					
Succeeding year property tax	584,000	-	-	-	90,000
Other	82	-	-	-	29
Compensated absences	783	8,805	-	-	-
Total liabilities	588,749	105,615	-	-	175,642
Fund equity:					
Fund balance:					
Reserved for:					
Inventories	-	292,370	-	-	-
Prepaid insurance	17,844	13,500	-	-	-
Landfill closure and postclosure care	-	-	-	-	-
Unreserved	793,204	584,709	24,153	6,564	278,035
Total fund equity	811,048	890,579	24,153	6,564	278,035
Total liabilities and fund equity	\$ 1,399,797	996,194	24,153	6,564	453,677

See accompanying independent auditor's report.

Sanitary Landfill Closure/ Postclosure Trust	County Govern- ment Assistance	County Attorney Forfeiture	Ida County Foundation Trust	Total
331,617	117,056	870	10,000	2,193,899
-	-	-	-	111
-	-	-	-	674,000
-	-	-	-	20,178
573	-	-	-	599
-	-	-	-	196
-	-	-	-	127,804
-	-	-	-	292,370
-	-	-	-	31,344
332,190	117,056	870	10,000	3,340,501
-	-	-	-	105,439
-	-	-	-	10,486
-	-	-	-	70,382
-	-	-	-	674,000
-	-	-	-	111
-	-	-	-	9,588
-	-	-	-	870,006
-	-	-	-	292,370
-	-	-	-	31,344
332,190	-	-	-	332,190
-	117,056	870	10,000	1,814,591
332,190	117,056	870	10,000	2,470,495
332,190	117,056	870	10,000	3,340,501

Ida County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2003

	Rural Services	Secondary Roads	Resource Enhance- ment and Protection	County Recorder's Records Management	Mental Health
Revenues:					
Property and other County tax:					
Property tax	\$ 548,460	-	-	-	-
Utility tax replacement excise tax	14,147	-	-	-	-
Other	450	-	-	-	-
	<u>563,057</u>	-	-	-	-
Intergovernmental:					
State shared revenues:					
Road use tax	-	1,426,457	-	-	-
State tax replacements:					
State tax credits	42,988	-	-	-	-
State allocation	48,457	-	-	-	-
Mental health property tax relief	-	-	-	-	289,658
	<u>91,445</u>	-	-	-	<u>289,658</u>
State and federal pass-thru revenues:					
Social services block grant	-	-	-	-	34,782
Contributions and reimbursements from other governmental units	<u>55,300</u>	-	-	-	<u>6,594</u>
State grants and entitlements:					
REAP	-	-	412	-	-
Revitalize Iowa's Sound Economy (RISE)	-	7,193	-	-	-
	<u>-</u>	<u>7,193</u>	<u>412</u>	<u>-</u>	<u>-</u>
	<u>146,745</u>	<u>1,433,650</u>	<u>412</u>	<u>-</u>	<u>331,034</u>
Licenses and permits	-	105	-	-	-
Charges for service:					
Landfill fees	123,225	-	-	-	-
Document management fees	-	-	-	2,240	-
	<u>123,225</u>	<u>-</u>	<u>-</u>	<u>2,240</u>	<u>-</u>

Sanitary Landfill Closure/ Postclosure Trust	County Govern- ment Assistance	County Attorney Forfeiture	Ida County Foundation Trust	Total
-	-	-	-	548,460
-	-	-	-	14,147
-	-	-	-	450
-	-	-	-	563,057
-	-	-	-	1,426,457
-	-	-	-	42,988
-	16,062	-	-	64,519
-	-	-	-	289,658
-	16,062	-	-	397,165
-	-	-	-	34,782
-	-	-	-	61,894
-	-	-	-	412
-	-	-	-	7,193
-	-	-	-	7,605
-	16,062	-	-	1,927,903
-	-	-	-	105
-	-	-	-	123,225
-	-	-	-	2,240
-	-	-	-	125,465

Ida County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2003

	Rural Services	Secondary Roads	Resource Enhance- ment and Protection	County Recorder's Records Management	Mental Health
Revenues (continued):					
Use of money and property:					
Interest on investments	-	-	397	37	-
Other	250	-	-	-	-
	<u>250</u>	<u>-</u>	<u>397</u>	<u>37</u>	<u>-</u>
Miscellaneous	26	7,800	-	-	-
Total revenues	<u>833,303</u>	<u>1,441,555</u>	<u>809</u>	<u>2,277</u>	<u>331,034</u>
Expenditures:					
Operating:					
Public safety and legal services:					
Law enforcement:					
Administration	-	-	-	-	-
Mental health:					
Persons with mental health problems - mental illness:					
Information and education services	-	-	-	-	1,690
Coordination services	-	-	-	-	25,919
Treatment services	-	-	-	-	313
Institutional, hospital, and commitment services	-	-	-	-	1,658
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,580</u>
Persons with chronic mental illness:					
Information and education services	-	-	-	-	1,690
Coordination services	-	-	-	-	25,967
Personal and environmental support	-	-	-	-	2,753
Treatment services	-	-	-	-	1,449
Vocational and day services	-	-	-	-	4,153
Licensed or certified living arrangements	-	-	-	-	4,552
Institutional, hospital, and commitment services	-	-	-	-	10,991
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,555</u>

Sanitary Landfill Closure/ Postclosure Trust	County Govern- ment Assistance	County Attorney Forfeiture	Ida County Foundation Trust	Total
5,195	-	-	-	5,629
-	-	-	-	250
5,195	-	-	-	5,879
-	-	322	10,000	18,148
5,195	16,062	322	10,000	2,640,557
-	-	378	-	378
-	-	-	-	1,690
-	-	-	-	25,919
-	-	-	-	313
-	-	-	-	1,658
-	-	-	-	29,580
-	-	-	-	1,690
-	-	-	-	25,967
-	-	-	-	2,753
-	-	-	-	1,449
-	-	-	-	4,153
-	-	-	-	4,552
-	-	-	-	10,991
-	-	-	-	51,555

Ida County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2003

	Rural Services	Secondary Roads	Resource Enhance- ment and Protection	County Recorder's Records Management	Mental Health
Expenditures (continued):					
Operating:					
Mental health:					
Persons with mental retardation:					
Information and education services	-	-	-	-	1,690
General administration	-	-	-	-	13,896
Coordination services	-	-	-	-	3,245
Personal and environmental support	-	-	-	-	13,510
Vocational and day services	-	-	-	-	124,407
Licensed or certified living arrangements	-	-	-	-	340,092
Institutional, hospital, and commitment services	-	-	-	-	22,888
	-	-	-	-	519,728
	-	-	-	-	600,863
County environment and education:					
Environmental quality:					
Weed eradication	9,829	-	-	-	-
Solid waste disposal	159,975	-	-	-	-
Natural resources conservation	-	-	5,964	-	-
	169,804	-	5,964	-	-
Educational services:					
Libraries	22,500	-	-	-	-
	192,304	-	5,964	-	-
Roads and transportation:					
Secondary roads administration and engineering:					
Administration	-	151,513	-	-	-
Engineering	-	88,642	-	-	-
	-	240,155	-	-	-

Sanitary Landfill Closure/ Postclosure Trust	County Govern- ment Assistance	County Attorney Forfeiture	Ida County Foundation Trust	Total
-	-	-	-	1,690
-	-	-	-	13,896
-	-	-	-	3,245
-	-	-	-	13,510
-	-	-	-	124,407
-	-	-	-	340,092
-	-	-	-	<u>22,888</u>
-	-	-	-	<u>519,728</u>
-	-	-	-	<u>600,863</u>
-	-	-	-	9,829
-	-	-	-	159,975
-	-	-	-	<u>5,964</u>
-	-	-	-	175,768
-	-	-	-	<u>22,500</u>
-	-	-	-	<u>198,268</u>
-	-	-	-	151,513
-	-	-	-	<u>88,642</u>
-	-	-	-	<u>240,155</u>

Ida County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2003

	Rural Services	Secondary Roads	Resource Enhance- ment and Protection	County Recorder's Records Management	Mental Health
Expenditures (continued):					
Operating:					
Roads and transportation:					
Roadway maintenance:					
Bridges and culverts	-	179,225	-	-	-
Roads	-	805,231	-	-	-
Snow and ice control	-	55,303	-	-	-
Traffic controls	-	49,145	-	-	-
Road clearing	-	22,931	-	-	-
	-	1,111,835	-	-	-
General roadway:					
Equipment	-	423,873	-	-	-
Equipment operations	-	295,692	-	-	-
Tools, materials, and supplies	-	16,550	-	-	-
Real estate and buildings	-	41,250	-	-	-
	-	777,365	-	-	-
	-	2,129,355	-	-	-
Capital projects:					
Roadway construction	-	447,737	-	-	-
Total expenditures	192,304	2,577,092	5,964	-	600,863
Excess (deficiency) of revenues over (under) expenditures	640,999	(1,135,537)	(5,155)	2,277	(269,829)
Other financing sources (uses):					
Sale of general fixed assets	-	26,130	-	-	-
Solid waste alternative program note proceeds	10,284	-	-	-	-
Operating transfers in (out):					
General	-	62,806	-	-	-
Special Revenue:					
Rural Services	-	637,176	-	-	-
Secondary Roads	(637,176)	-	-	-	-
Sanitary Landfill Closure/Postclosure Trust	(48,552)	-	-	-	-
Total other financing sources (uses)	(675,444)	726,112	-	-	-

Sanitary Landfill Closure/ Postclosure Trust	County Govern- ment Assistance	County Attorney Forfeiture	Ida County Foundation Trust	Total
-	-	-	-	179,225
-	-	-	-	805,231
-	-	-	-	55,303
-	-	-	-	49,145
-	-	-	-	22,931
-	-	-	-	1,111,835
-	-	-	-	423,873
-	-	-	-	295,692
-	-	-	-	16,550
-	-	-	-	41,250
-	-	-	-	777,365
-	-	-	-	2,129,355
-	-	-	-	447,737
-	-	378	-	3,376,601
5,195	16,062	(56)	10,000	(736,044)
-	-	-	-	26,130
-	-	-	-	10,284
-	-	-	-	62,806
48,552	-	-	-	685,728
-	-	-	-	(637,176)
-	-	-	-	(48,552)
48,552	-	-	-	99,220

Ida County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2003

	Rural Services	Secondary Roads	Resource Enhance- ment and Protection	County Recorder's Records Management	Mental Health
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(34,445)	(409,425)	(5,155)	2,277	(269,829)
Fund balances beginning of year	835,240	1,295,038	29,308	4,287	547,864
Increase (decrease) in reserve for:					
Inventories	-	13,702	-	-	-
Prepaid insurance	10,253	(8,736)	-	-	-
Fund balances end of year	<u>\$ 811,048</u>	<u>890,579</u>	<u>24,153</u>	<u>6,564</u>	<u>278,035</u>

See accompanying independent auditor's report.

Sanitary Landfill Closure/ Postclosure Trust	County Govern- ment Assistance	County Attorney Forfeiture	Ida County Foundation Trust	Total
53,747	16,062	(56)	10,000	(636,824)
278,443	100,994	926	-	3,092,100
-	-	-	-	13,702
-	-	-	-	1,517
<u>332,190</u>	<u>117,056</u>	<u>870</u>	<u>10,000</u>	<u>2,470,495</u>

Schedule 5

Ida County
Internal Service Funds
Combining Balance Sheet
June 30, 2003

	Employee Health Insurance	Cafeteria Plan	Total
Assets			
Cash and pooled investments	\$ 232,648	-	232,648
Accrued interest receivable	382	-	382
Total assets	\$ 233,030	-	233,030
Liabilities and Fund Equity			
Liabilities:			
Accounts payable	\$ 3,000	375	3,375
Fund equity:			
Unreserved retained earnings (deficit)	230,030	(375)	229,655
Total liabilities and fund equity	\$ 233,030	-	233,030

See accompanying independent auditor's report.

Ida County

Internal Service Funds

Combining Statement of Revenues, Expenses and
Changes in Retained Earnings

Year ended June 30, 2003

	Employee Health Insurance	Cafeteria Plan	Total
Operating revenues:			
Charges for service:			
Reimbursements from operating funds	\$ 22,883	-	22,883
Employee contributions	20	15,129	15,149
	<u>22,903</u>	<u>15,129</u>	<u>38,032</u>
Operating expenses:			
Health claims	14,056	-	14,056
Plan benefit reimbursements to employees	-	15,134	15,134
	<u>14,056</u>	<u>15,134</u>	<u>29,190</u>
Operating income (loss)	8,847	(5)	8,842
Non-operating revenues:			
Interest on investments	3,926	-	3,926
Net income (loss)	12,773	(5)	12,768
Retained earnings beginning of year	<u>217,257</u>	<u>(370)</u>	<u>216,887</u>
Retained earnings (deficit) end of year	<u>\$ 230,030</u>	<u>(375)</u>	<u>229,655</u>

See accompanying independent auditor's report.

Schedule 7

Ida County
Internal Service Funds
Combining Statement of Cash Flows
Year ended June 30, 2003

	Employee Health Insurance	Cafeteria Plan	Total
Cash flows from operating activities:			
Cash received from operating funds	\$ 22,883	-	22,883
Cash received from employees	-	15,129	15,129
Cash received from miscellaneous receipts	20	5	25
Cash paid for health claims	(14,056)	-	(14,056)
Cash paid for plan benefit reimbursements to employees	-	(15,134)	(15,134)
Net cash provided by operating activities	8,847	-	8,847
Cash flows from investing activities			
Interest on investments	3,947	-	3,947
Net increase in cash and cash equivalents	12,794	-	12,794
Cash and cash equivalents beginning of year	219,854	-	219,854
Cash and cash equivalents end of year	\$ 232,648	-	232,648
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 8,847	(5)	8,842
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:			
Increase in accounts payable	-	5	5
Net cash provided by operating activities	\$ 8,847	-	8,847

See accompanying independent auditor's report.

Ida County

Ida County
 Agency Funds
 Combining Balance Sheet
 June 30, 2003

	County Offices		Agricultural	County
	County Recorder	County Sheriff	Extension Education	Assessor
Assets				
Cash and pooled investments:				
County Treasurer	\$ -	-	1,643	79,966
Other County officials	16,361	7,397	-	-
Receivables:				
Property tax:				
Delinquent	-	-	28	31
Succeeding year	-	-	88,000	97,000
Accounts	548	-	-	67
Accrued interest	-	-	-	-
Special assessments	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
	Total assets	7,397	89,671	177,064
	\$ 16,909	7,397	89,671	177,064
Liabilities				
Liabilities:				
Accounts payable	-	-	-	216
Salaries and benefits payable	-	-	-	-
Due to other funds	12,921	5,556	-	-
Due to other governments	3,988	66	89,671	176,848
Trusts payable	-	1,775	-	-
Compensated absences	-	-	-	-
	Total liabilities	7,397	89,671	177,064
	\$ 16,909	7,397	89,671	177,064

Schools	Community Colleges	Corporations	Townships	Special Assessments	Auto License, Driver's License and Use Tax
82,669	6,185	7,400	2,829	1,095	162,650
-	-	-	-	-	-
1,319	62	907	11	-	-
4,361,000	196,000	1,210,000	126,000	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	29,970	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,444,988</u>	<u>202,247</u>	<u>1,218,307</u>	<u>128,840</u>	<u>31,065</u>	<u>162,650</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	5,495
4,444,988	202,247	1,218,307	128,840	31,065	157,155
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,444,988</u>	<u>202,247</u>	<u>1,218,307</u>	<u>128,840</u>	<u>31,065</u>	<u>162,650</u>

Ida County
 Agency Funds
 Combining Balance Sheet
 June 30, 2003

	Emergency Management Services	Brucellosis Tuberculosis Eradication Donor	Public Safety and Communications Commission-Operating
Assets			
Cash and pooled investments:			
County Treasurer	12,063	619	63,076
Other County officials	-	-	-
Receivables:			
Property tax:			
Delinquent	-	1	-
Succeeding year	-	1,000	-
Accounts	-	-	167
Accrued interest	-	-	-
Special assessments	-	-	-
Due from other funds	-	-	-
Due from other governments	1,734	-	2,236
Total assets	13,797	1,620	65,479
Liabilities and Fund Equity			
Liabilities:			
Accounts payable	2,260	-	19,051
Salaries and benefits payable	-	-	542
Due to other funds	-	-	-
Due to other governments	11,537	1,620	4,753
Trusts payable	-	-	-
Compensated absences	-	-	41,133
Total liabilities	13,797	1,620	65,479

See accompanying independent auditor's report.

Public Safety and Communications Commission- Confiscated Property	E911 Surcharge	E911 Service	Prepaid Taxes	Anatomical Gift Public Awareness and Transportation	Total	
	328	100,191	3,134	172	53	524,073
	-	-	-	-	-	23,758
	-	-	-	-	-	2,359
	-	-	-	-	-	6,079,000
	-	13,023	-	-	-	13,805
	-	382	-	-	-	382
	-	-	-	-	-	29,970
	232	-	-	-	-	232
	-	-	-	-	-	3,970
	560	113,596	3,134	172	53	6,677,549
	-	4,138	-	-	-	25,665
	-	49	-	-	-	591
	-	-	-	-	-	23,972
	560	109,409	3,134	172	53	6,584,413
	-	-	-	-	-	1,775
	-	-	-	-	-	41,133
	560	113,596	3,134	172	53	6,677,549

Ida County

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 2003

	<u>County Offices</u>		Agricultural	County
	County Recorder	County Sheriff	Extension Education	
Assets and Liabilities				
Balance beginning of year	\$ 18,940	8,882	85,443	173,695
Additions:				
Property and other County tax	-	-	88,357	97,178
E911 Surcharge	-	-	-	-
State tax credits	-	-	6,624	7,317
State allocation	-	-	-	1,614
Office fees and collections	112,081	20,991	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	967	74,529	-	-
Miscellaneous	-	-	-	663
Total additions	113,048	95,520	94,981	106,772
Deductions:				
Agency remittances:				
To other funds	47,901	21,027	-	-
To other governments	66,208	391	90,753	103,403
Trusts paid out	970	75,587	-	-
Total deductions	115,079	97,005	90,753	103,403
Balance end of year	\$ 16,909	7,397	89,671	177,064

Schools	Community Colleges	Corporations	Townships	Special Assessments	Auto License, Driver's License and Use Tax
4,328,502	324,757	1,207,117	127,146	38,912	151,538
4,349,677	195,192	1,223,614	125,262	-	-
-	-	-	-	-	-
334,039	25,007	105,150	9,063	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,844,352
-	-	-	-	2,044	-
-	-	-	-	-	-
-	-	-	-	-	-
4,683,716	220,199	1,328,764	134,325	2,044	1,844,352
-	-	-	-	-	58,680
4,567,230	342,709	1,317,574	132,631	9,891	1,774,560
-	-	-	-	-	-
4,567,230	342,709	1,317,574	132,631	9,891	1,833,240
4,444,988	202,247	1,218,307	128,840	31,065	162,650

Ida County

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 2003

	<u>Emergency Management Services</u>	<u>Brucellosis and Tuberculosis Eradication</u>	<u>Public Safety and Communications Commission-Operating</u>
Assets and Liabilities			
Balance beginning of year	<u>9,374</u>	<u>1,573</u>	<u>79,705</u>
Additions:			
Property and other County tax	-	1,381	-
E911 Surcharge	-	-	-
State tax credits	-	109	-
Office fees and collections	-	-	-
Office fees and collections	-	-	-
Auto licenses, use tax and postage	-	-	-
Assessments	-	-	-
Trusts	-	-	-
Miscellaneous	<u>38,782</u>	-	<u>707,962</u>
Total additions	<u>38,782</u>	<u>1,490</u>	<u>707,962</u>
Deductions:			
Agency remittances:			
To other funds	-	-	-
To other governments	<u>34,359</u>	<u>1,443</u>	<u>722,188</u>
Trusts paid out	-	-	-
Total deductions	<u>34,359</u>	<u>1,443</u>	<u>722,188</u>
Balance end of year	<u><u>13,797</u></u>	<u><u>1,620</u></u>	<u><u>65,479</u></u>

See accompanying independent auditor's report.

Public Safety and Communications Commission- Confiscated Property	E911 Surcharge	E911 Service	Ida County Empowerment Agency	Prepaid Taxes	Anatomical Gift Public Awareness and Transportation	Total
4,868	85,194	3,110	-	1,427	40	6,650,223
-	-	-	-	-	-	6,080,661
-	53,873	-	-	-	-	53,873
-	-	-	-	-	-	487,309
-	-	-	-	-	-	1,614
-	-	-	-	-	-	133,072
-	-	-	-	-	-	1,844,352
-	-	-	-	-	-	2,044
-	-	-	-	-	-	75,496
1,980	1,244	24	59,484	-	168	810,307
1,980	55,117	24	59,484	-	168	9,488,728
-	-	-	-	-	-	127,608
6,288	26,715	-	59,484	1,255	155	9,257,237
-	-	-	-	-	-	76,557
6,288	26,715	-	59,484	1,255	155	9,461,402
560	113,596	3,134	-	172	53	6,677,549

Schedule 10

Ida County

Comparison of Taxes and Intergovernmental Revenues

	Years ended June 30,			
	2003	2002	2001	2000
Taxes:				
Property tax	\$ 1,699,234	1,656,291	1,702,677	1,721,222
Utility tax replacement excise tax	52,835	53,241	59,220	-
Other	1,585	1,868	2,123	2,164
	<u>1,753,654</u>	<u>1,711,400</u>	<u>1,764,020</u>	<u>1,723,386</u>
Intergovernmental:				
State shared revenues:				
Road use tax	1,426,457	1,414,810	1,356,691	1,376,417
Franchise tax	20,028	33,231	26,793	32,357
Other	618	6,163	2,756	-
State tax replacements:				
State tax credits	136,486	148,147	154,838	159,710
State allocation	64,519	68,165	74,084	74,298
Mental health property tax relief	289,658	289,658	289,658	289,658
State and federal pass-thru revenues:				
Human services administrative reimbursement	14,152	11,586	15,116	18,714
Social services block grant	34,782	36,218	36,025	36,935
Other	38,560	-	-	-
Contributions and reimbursements from other governmental units	83,683	63,752	60,149	73,508
State grants and entitlements:				
Home care aide grant	28,857	34,243	41,243	27,805
Public health nurse grants	11,943	12,569	7,803	18,565
Well testing and abandonment	9,381	15,050	9,116	7,049
MH-DD community services fund allocation	-	-	56,799	56,799
Revitalize Iowa's Sound Economy (RISE)	7,193	134,122	-	-
Resource enhancement and protection program	412	5,777	11,210	7,238
Other	43,519	77,856	68,459	17,510
Direct federal grants and entitlements:				
Medicare and medicaid	67,486	105,815	90,866	68,340
Other	-	-	-	12,556
	<u>2,277,734</u>	<u>2,457,162</u>	<u>2,381,672</u>	<u>2,328,150</u>
Total	<u>\$ 4,031,388</u>	<u>4,168,562</u>	<u>4,145,692</u>	<u>4,051,536</u>

See accompanying independent auditor's report.

**Independent Auditor's Report on Compliance
and on Internal Control over Financial Reporting**

Ida County



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

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

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

Independent Auditor's Report on Compliance
and on Internal Control over Financial Reporting

To the Officials of Ida County:

We have audited the general purpose financial statements of Ida County, Iowa, as of and for the year ended June 30, 2003, and have issued our report thereon dated February 12, 2004. We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Ida County's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance that are described in the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2003 are based exclusively on knowledge obtained from procedures performed during our audit of the general purpose 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. Prior year statutory comments have all been resolved.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ida County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Ida County's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings.


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

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

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



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

February 12, 2004

Ida County
 Schedule of Findings
 Year ended June 30, 2003

Findings Related to the General Purpose Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

REPORTABLE CONDITIONS:

- (A) Segregation of Duties – During our review of internal control, the existing control activities are evaluated in order to determine that 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 of cash receipts.	Sheriff
(3) Investment custody and accounting functions are not segregated.	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.	Treasurer

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

Ida County

Schedule of Findings

Year ended June 30, 2003

Response -

Treasurer - Thank you for realizing with a small staff it is hard to accomplish this. We try to change who does what on occasions. The Board of Supervisors will review the investments each month and bank reconciliations will be reviewed by an independent person.

Sheriff - We will make every effort to comply with the recommendations provided.

Conclusion - Responses accepted.

- (B) Information Systems - Although County employees now have individual passwords, the County does not have written policies for password privacy and confidentiality.

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

Recommendation - The County should develop written policies addressing the above items in order to improve the County's control over computer based systems. The County Treasurer should require personnel who share the same computer terminal to log-on and log-off prior to other personnel entering transactions on the same terminal.

Response -

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

County Treasurer - Though I understand why it should be done, it would be very time consuming, particularly at tax collection times, to be constantly signing in a new user ID as we only have one terminal to do these collections and all employees are trained to do collections. We do have more than one terminal for motor vehicle so we could do work solely on our own terminals and probably will be better able to do it that way when the new rewrite is done making it possible to do more than one thing at a time without exiting what you were working on and constantly starting over.

Conclusion - Responses accepted.

- (C) Public Health Nurse Receivables - Accounts receivable listings are retained at the end of each month. However, a monthly reconciliation of billings, collections and accounts receivable for medicare, medicaid and other reimbursements was not prepared. Bad debts written off during the year were not approved by the Local Board of Health.

Ida County

Schedule of Findings

Year ended June 30, 2003

Recommendation - Accounts receivable listings should continue to be prepared and retained. A reconciliation of billings, collections and accounts receivable should be prepared monthly. The Local Board of Health should review and approve all write-offs of uncollectible accounts.

Response - Recommendation will be complied with.

Conclusion - Response accepted.

- (D) County and County Assessor Timesheets - Salaried personnel, other than elected officials, of the County do not prepare and file timesheets.

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

Response -

Board of Supervisors - All non-elected personnel will be required to prepare and submit timesheets to the County Auditor's Office prior to payroll processing.

County Assessor - Timesheets will be prepared and submitted to the Auditor's Office prior to the processing of payroll each period.

Conclusion - Responses accepted.

Ida County
Schedule of Findings
Year ended June 30, 2003

Other Findings Related to Required Statutory Reporting:

- (1) Official Depositories - A resolution naming official depositories has been adopted by the Board. The maximum deposit amounts stated in the resolution were not exceeded during the year.
- (2) Certified Budget - Disbursements exceeded the amount budgeted in the capital projects function.
Recommendation - The budget should have been amended in accordance with Chapter 331.435 of the Code of Iowa before disbursements were allowed to exceed the budget.
Response - Before disbursements exceed the budget, we will amend in accordance with Chapter 331.435 of the Code of Iowa.
Conclusion - Response accepted.
- (3) Questionable Expenditures - No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- (4) Travel Expense - No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- (5) Business Transactions - No business transactions between the County and County officials or employees were noted.
- (6) Bond Coverage - Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- (7) Board Minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.
- (8) Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.
- (9) Resource Enhancement and Protection Certification - The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- (10) Solid Waste Fees Retainage - During the year ended June 30, 2003, the County retained the solid waste fees in accordance with Chapter 455E.11(2), (11), (13) and (15) of the Code of Iowa.

Ida County

Schedule of Findings

Year ended June 30, 2003

- (11) County Sheriff Grant Receipts - The County Sheriff received \$9,350 in grant funds for vehicle cameras. The check for these funds was endorsed over to the vendor and was not received in the Public Safety and Communications-Operating Fund.

Recommendation - All grant funds received by the County Sheriff should be received and disbursed through the warrant writing process. Rather than circumventing the budget process, the Public Safety and Communications-Operating Fund budget could then be increased to allow the County Sheriff to purchase additional equipment that was not anticipated in the original budget.

Response - We will see that all grant funds received are received and disbursed through the Ida County Public Safety and Communications Fund.

Conclusion - Response accepted.

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

Total estimated costs for closure and postclosure care	\$ 515,813
Less: Balance of funds held in the local dedicated fund at June 30, 2002	<u>278,443</u>
	237,370
Divided by the number of years remaining in the pay-in period	<u>÷ 5</u>
Required payment into the local dedicated fund for the year ended June 30, 2003	47,474
Balance of funds held in the local dedicated fund at June 30, 2002	<u>278,443</u>
Required balance of funds to be held in the local dedicated fund at June 30, 2003	<u>\$325,917</u>
Amount County has reserved for closure and postclosure care at June 30, 2003	<u>\$332,190</u>

- (13) 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.

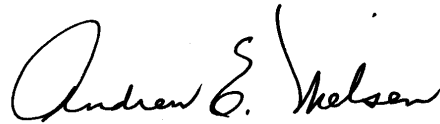
Disbursements during the year ended June 30, 2003 for the County Extension Office did not exceed the amount budgeted.

Ida County

Staff

This audit was performed by:

Steven M. Nottger, CPA, Manager
James L. Blekfeld, CPA, Senior Auditor
Nicholas A. Freymann, CGFM, Senior Auditor
Tammy A. Wolterman, Staff Auditor
Ryan J. Johnson, Assistant Auditor
Scott P. Boisen, Assistant Auditor

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

Andrew E. Nielsen, CPA
Deputy Auditor of State