

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Mary Mosiman, CPA
Auditor of State

NEWS RELEASE

FOR RELEASE

May 3, 2018

Contact: Andy Nielsen
515/281-5834

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

The County had local tax revenue of \$13,593,392 for the year ended June 30, 2017, which included \$1,238,793 in tax credits from the state. The County forwarded \$11,156,352 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$2,437,040 of the local tax revenue to finance County operations, a 2.8% increase over the prior year. Other revenues included charges for service of \$557,939, operating grants, contributions and restricted interest of \$2,857,129, capital grants, contributions and restricted interest of \$105,278, local option sales tax of \$346,720, tax increment financing of \$170,748, unrestricted investment earnings of \$24,150 and other general revenues of \$29,182.

Expenses for County operations for the year ended June 30, 2017 totaled \$6,143,630, a 9.0% decrease from the prior year. Expenses included \$3,486,001 for roads and transportation, \$774,786 for administration and \$750,324 for public safety and legal services.

A copy of the audit report is available for review in the County Auditor's Office, in the Office of Auditor of State and on the Auditor of State's web site at <https://auditor.iowa.gov/reports/1710-0047-B00F>.

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IDA COUNTY
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS
JUNE 30, 2017

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Ida County

Officials

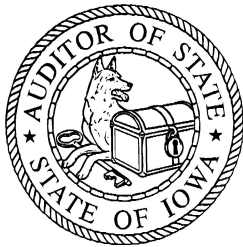
(Before January 2017)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Curtis R. Phillips (Appointed Jan 2016)	Board of Supervisors	Nov 2016
Robert C. Paulsrud	Board of Supervisors	Jan 2017
Rhett Leonard	Board of Supervisors	Jan 2019
Lorna Steenbock	County Auditor	Jan 2017
Traci Riessen	County Treasurer	Jan 2019
Julie Phillips	County Recorder	Jan 2019
Wade Harriman	County Sheriff	Jan 2017
Meghann Cosgrove-Whitmer	County Attorney	Jan 2019
Joseph L. Cronin	County Assessor	Jan 2022

(After January 2017)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Rhett Leonard	Board of Supervisors	Jan 2019
Raymond Drey	Board of Supervisors	Jan 2021
Creston Schubert	Board of Supervisors	Jan 2021
Lorna Steenbock	County Auditor	Jan 2021
Traci Riessen	County Treasurer	Jan 2019
Julie Phillips	County Recorder	Jan 2019
Wade Harriman	County Sheriff	Jan 2021
Meghann Cosgrove-Whitmer	County Attorney	Jan 2019
Joseph L. Cronin	County Assessor	Jan 2022

Ida County



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Independent Auditor's Report

To the Officials of Ida County:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of Ida County, Iowa, as of and for the year ended June 30, 2017, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of Ida County as of June 30, 2017, and the respective changes in its financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County Contributions and the Schedule of Funding Progress for the Retiree Health Plan on pages 9 through 15 and 54 through 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.


Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Ida County's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2016 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 10, 2018 on our consideration of Ida County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Ida County's internal control over financial reporting and compliance.


MARY MOSIMAN, CPA
Auditor of State

April 10, 2018

Ida County

MANAGEMENT'S DISCUSSION AND ANALYSIS

Ida County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2017. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2017 FINANCIAL HIGHLIGHTS

- Revenues of the County's governmental activities decreased 34.3%, or approximately \$3,405,000, from fiscal year 2016 to fiscal year 2017. Property tax, including tax increment financing, increased approximately \$54,000, operating grants, contributions and restricted interest increased approximately \$166,000, capital grants, contributions and restricted interest decreased approximately \$3,595,000, charges for service decreased approximately \$110,000 and local option sales tax increased approximately \$48,000.
- Program expenses of the County's governmental activities were 8.8%, or approximately \$591,000, less in fiscal year 2017 than in fiscal year 2016. Roads and transportation expenses decreased approximately \$770,000 and administration expenses increased approximately \$149,000.
- The County's net position increased 2.0%, or approximately \$384,000, over the restated June 30, 2016 balance.

USING THIS ANNUAL REPORT

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

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

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

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

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

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

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

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

The County has two kinds of funds:

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

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

- 2) Fiduciary funds are used to report assets held in a trust or agency capacity for others which cannot be used to support the County's own programs. These fiduciary funds include Agency Funds that account for E-911 surcharge, emergency management services and the County Assessor, to name a few.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

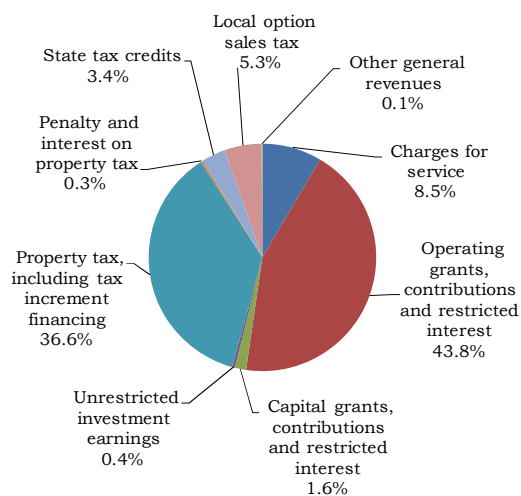
As noted earlier, net position may serve over time as a useful indicator of financial position. Ida County's combined net position increased from approximately \$19 million to approximately \$19.4 million. The analysis that follows focuses on the changes in the net position of governmental activities.

Net Position of Governmental Activities (Expressed in Thousands)		
	Year ended June 30,	
	2017	2016
Current and other assets	\$ 7,820	6,862
Capital assets	15,788	16,208
Total assets	23,608	23,070
Deferred outflows of resources	538	244
Long-term liabilities	196	1,455
Other liabilities	1,875	265
Total liabilities	2,071	1,720
Deferred inflows of resources	2,722	2,625
Net position:		
Net investment in capital assets	15,783	16,198
Restricted	4,351	3,351
Unrestricted	(781)	(580)
Total net position	\$ 19,353	18,969

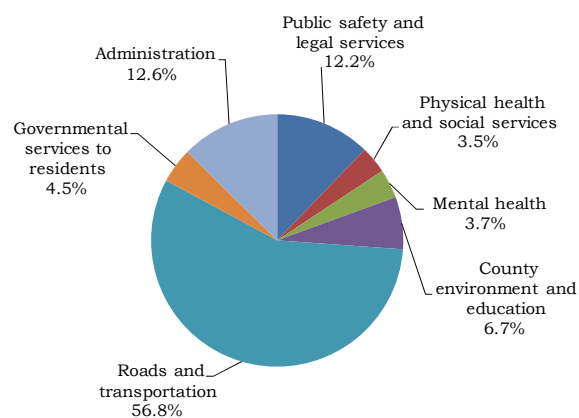
Net position of Ida County's governmental activities increased 2.0% (approximately \$19.4 million compared to approximately \$19 million). The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, intangibles, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The increase is primarily due to the increase in the Secondary Roads Fund ending balance. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased from a deficit of approximately \$580,000 at June 30, 2016 to a deficit of approximately \$781,000 at the end of this year, primarily due to an increase in the net pension and net OPEB liabilities.

Changes in Net Position of Governmental Activities (Expressed in Thousands)		
	Year ended June 30,	
	2017	2016
Revenues:		
Program revenues:		
Charges for service	\$ 558	668
Operating grants, contributions and restricted interest	2,857	2,691
Capital grants, contributions and restricted interest	105	3,700
General revenues:		
Property tax, including tax increment financing	2,388	2,334
Penalty and interest on property tax	21	14
State tax credits	219	204
Local option sales tax	347	299
Unrestricted investment earnings	24	17
Other general revenues	9	6
Total revenues	6,528	9,933
Program expenses:		
Public safety and legal services	750	764
Physical health and social services	218	257
Mental health	229	250
County environment and education	409	334
Roads and transportation	3,486	4,256
Governmental services to residents	277	248
Administration	775	626
Total expenses	6,144	6,735
Change in net position	384	3,198
Net position beginning of year	18,969	15,771
Net position end of year	\$ 19,353	18,969

Revenues by Source



Expenses by Program



Taxable valuations increased approximately 4.6% for county-wide levies while levies decreased approximately 2.0%. As a result, property tax revenue increased approximately \$54,000 in fiscal year 2017.

INDIVIDUAL MAJOR FUND ANALYSIS

As Ida County completed the year, its governmental funds reported a combined fund balance of approximately \$4.7 million, an increase of more than \$820,000 above last year's total of approximately \$3.9 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues decreased approximately \$192,000, or 8.1%, from the prior year. The decrease in revenues is primarily due to a decrease in revenues from zoning permits for wind towers from fiscal year 2016 to 2017. General Fund expenditures increased approximately \$130,000, or 5.8%, when compared to the prior year. The ending fund balance decreased \$301,501 from the prior year to \$1,006,301.
- The County has continued to look for ways to effectively manage the cost of mental health services. For the year, Special Revenue, Mental Health Fund expenditures totaled approximately \$229,000, a decrease of 8.3% from the prior year. Revenues totaled approximately \$193,000, an increase of 88.6%, or approximately \$91,000, over the previous fiscal year due to an increase in property and other county tax revenue. The Special Revenue, Mental Health Fund balance at year end decreased \$36,179 from the prior year to \$86,829.
- Special Revenue, Rural Services Fund revenues increased approximately \$28,000, due primarily to an increase in local option sales tax. Total expenditures decreased approximately \$20,000 when compared to the prior year. The ending fund balance decreased \$9,947 from the prior year to \$623,450.
- Special Revenue, Secondary Roads Fund revenues increased approximately \$213,000, or 7.9%, over the prior year. Total expenditures decreased approximately \$735,000 from the prior year, primarily due to a decrease in road maintenance projects. The Secondary Roads Fund ending balance increased \$1,341,725 over the prior year to \$3,101,364.
- Special Revenue, Ida County Urban Renewal Fund revenues increased approximately \$2,800, or 1.6%, over the prior year. The ending fund balance decreased \$237,756 from the prior year balance to a deficit \$599,279.

BUDGETARY HIGHLIGHTS

In fiscal year 2017, Ida County amended its budget two times. The first amendment was made in March 2017 and resulted in an increase in budgeted disbursements for county environment and education function. The second amendment was made in May 2017 and resulted in an increase in budgeted disbursements for public safety and legal services function and a decrease of budgeted disbursements in the physical health and social services function.

The County's receipts were \$302,107 more than budgeted, a variance of 4.9%.

Total disbursements were \$1,076,083 less than budgeted. Actual disbursements for the roads and transportation, capital projects and physical health and social services functions were \$455,292, \$412,676 and \$93,397, respectively, less than budgeted. The roads and transportation and capital projects functions had budgeted for several secondary road projects which were not completed. The physical health and social services function was less than budgeted due to less being spent on youth guidance and sanitarian costs than anticipated.

The County did not exceed the amounts budgeted by function during fiscal year 2017.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2017, Ida County had approximately \$15.8 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This is a net decrease (including additions and deletions) of approximately \$420,000, or 2.7%, from last year.

Capital Assets of Governmental Activities at Year End (Expressed in Thousands)		
	June 30,	
	2017	2016
Land	\$ 242	242
Construction in progress	105	87
Buildings and improvements	665	714
Equipment and vehicles	1,645	1,857
Infrastructure	13,131	13,308
Total	<u>\$ 15,788</u>	<u>16,208</u>
This year's major additions include (in thousands):		
Capital assets contributed by the		
Iowa Department of Transportation	\$	105
Infrastructure		420
Vehicles		81
Computers and other equipment		44
Total	<u>\$</u>	<u>650</u>

The County had depreciation expense of \$1,115,519 in fiscal year 2017 and total accumulated depreciation of \$9,408,167 at June 30, 2017. More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

At June 30, 2017, Ida County had \$5,000 of capital lease purchase agreement debt outstanding. Additional information about the County's long-term debt is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Ida County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2018 budget, tax rates and certified taxes as follows:

No new services were added to the fiscal year 2018 budget. Levy rates (expressed in \$/\$1,000 of taxable valuation) for fiscal years 2017 and 2018 are as follows:

Levy Rate	2018	2017	Percentage Change
General basic	\$ 3.14000	3.14000	0.00%
General supplemental	-	-	-
Mental health	0.36000	0.36000	0.00%
Rural services basic	1.40000	1.40000	0.00%
Total	<u>\$ 4.90000</u>	<u>4.90000</u>	<u>0.00%</u>

Budgeted disbursements in the fiscal year 2018 operating budget are approximately \$7.4 million, which is a 5.7% increase over the fiscal year 2017 final budget of approximately \$7.0 million. Total taxable valuations increased approximately \$19.6 million. There was no general supplemental levy for fiscal year 2018. The general, mental health and rural services basic rates remained consistent with fiscal year 2017.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

Basic Financial Statements

Ida County
Statement of Net Position
June 30, 2017

	Primary Government	Component Unit
	Governmental Activities	Ida County Conservation Foundation
Assets		
Cash and pooled investments	\$ 3,553,687	11,361
Restricted cash and pooled investments	319,509	-
Receivables:		
Succeeding year property tax	2,449,000	-
Succeeding year tax increment financing	167,000	-
Accounts	281,607	-
Accrued interest	6,261	-
Due from other governments	301,716	-
Inventories	678,631	-
Prepaid insurance	62,672	-
Capital assets, net of accumulated depreciation	15,787,766	-
Total assets	23,607,849	11,361
Deferred Outflows of Resources		
Pension related deferred outflows	537,635	-
Liabilities		
Accounts payable	107,436	-
Salaries and benefits payable	84,592	-
Due to other governments	3,325	-
Long-term liabilities:		
Portion due or payable within one year:		
Capital lease purchase agreement	5,000	-
Compensated absences	28,968	-
Estimated liability for closure and postclosure care	14,560	-
Portion due or payable after one year:		
Compensated absences	23,523	-
Estimated liability for closure and postclosure care	292,882	-
Net pension liability	1,423,724	-
Net OPEB liability	86,500	-
Total liabilities	2,070,510	-
Deferred Inflows of Resources		
Unavailable property tax revenue	2,449,000	-
Unavailable tax increment financing revenue	167,000	-
Pension related deferred inflows	105,509	-
Total deferred inflows of resources	2,721,509	-
Net Position		
Net investment in capital assets	15,782,766	-
Restricted for:		
Supplemental levy purposes	17,758	-
Mental health purposes	86,829	-
Rural services purposes	623,450	-
Secondary roads purposes	3,042,883	-
Other purposes	580,445	11,361
Unrestricted	(780,666)	-
Total net position	\$ 19,353,465	11,361

See notes to financial statements.

Ida County
Statement of Activities
Year ended June 30, 2017

	Program Revenues			
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
Functions/Programs:				
Primary Government:				
Governmental activities:				
Public safety and legal services	\$ 750,324	57,196	14,778	-
Physical health and social services	217,355	7,339	81,241	-
Mental health	229,217	-	-	-
County environment and education	409,024	61,546	51,216	-
Roads and transportation	3,486,001	174,825	2,708,029	105,278
Governmental services to residents	276,923	156,778	-	-
Administration	774,786	100,255	1,865	-
Total primary government	\$ 6,143,630	557,939	2,857,129	105,278
Component Unit:				
Ida County Conservation Foundation	\$ 7,026	-	6,597	-
General Revenues:				
Property and other county tax levied for general purposes				
Tax increment financing				
Penalty and interest on property tax				
State tax credits				
Local option sales tax				
Unrestricted investment earnings				
Gain on disposition of capital assets				
Miscellaneous				
Total general revenues				
Change in net position				
Net position beginning of year				
Net position end of year				
See notes to financial statements.				

Net (Expense) Revenue and Changes in Net Position	
Primary Government	Component Unit
Governmental Activities	Ida County Conservation Foundation
(678,350)	
(128,775)	
(229,217)	
(296,262)	
(497,869)	
(120,145)	
<u>(672,666)</u>	
<u>(2,623,284)</u>	
	<u>(429)</u>
2,217,838	-
170,748	-
20,541	-
219,202	-
346,720	-
24,150	-
8,000	-
<u>641</u>	<u>-</u>
<u>3,007,840</u>	<u>-</u>
384,556	(429)
<u>18,968,909</u>	<u>11,790</u>
<u>\$ 19,353,465</u>	<u>11,361</u>

Ida County
Balance Sheet
Governmental Funds

June 30, 2017

	<u>Special</u>		
	General	Mental Health	Rural Services
Assets			
Cash and pooled investments	\$ 1,034,264	86,829	601,761
Restricted cash and pooled investments	-	-	-
Receivables:			
Succeeding year property tax	1,698,000	195,000	556,000
Succeeding year tax increment financing	-	-	-
Accounts	280,654	-	103
Accrued interest	6,261	-	-
Due from other governments	25,671	-	29,047
Advance to other fund	-	-	-
Inventories	-	-	-
Prepaid insurance	29,046	-	1,244
Total assets	\$ 3,073,896	281,829	1,188,155
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 49,536	-	8,468
Salaries and benefits payable	41,844	-	-
Due to other governments	2,747	-	237
Advance from other fund	-	-	-
Total liabilities	94,127	-	8,705
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	1,698,000	195,000	556,000
Succeeding year tax increment financing	-	-	-
Other	275,468	-	-
Total deferred inflows of resources	1,973,468	195,000	556,000
Fund balances:			
Nonspendable:			
Inventories	-	-	-
Prepaid insurance	29,046	-	1,244
Restricted for:			
Mental health purposes	-	86,829	-
Rural services purposes	-	-	622,206
Secondary roads purposes	-	-	-
Landfill closure and postclosure care	-	-	-
Conservation land acquisition purposes	1,171	-	-
Other purposes	97,855	-	-
Assigned for:			
Legal services	51,866	-	-
Public safety	1,105	-	-
Courthouse maintenance	15,877	-	-
Computer equipment	56,741	-	-
Conservation	10,582	-	-
Unassigned	742,058	-	-
Total fund balances	1,006,301	86,829	623,450
Total liabilities, deferred inflows of resources and fund balances	\$ 3,073,896	281,829	1,188,155

See notes to financial statements.

Revenue			
Secondary Roads	Ida County Urban Renewal	Nonmajor	Total
1,634,332	-	196,501	3,553,687
-	-	319,509	319,509
-	-	-	2,449,000
-	167,000	-	167,000
736	-	114	281,607
-	-	-	6,261
244,672	-	2,326	301,716
599,279	-	-	599,279
678,631	-	-	678,631
32,382	-	-	62,672
3,190,032	167,000	518,450	8,419,362
45,680	-	3,752	107,436
42,020	-	728	84,592
232	-	109	3,325
-	599,279	-	599,279
87,932	599,279	4,589	794,632
-	-	-	2,449,000
-	167,000	-	167,000
736	-	-	276,204
736	167,000	-	2,892,204
678,631	-	-	678,631
32,382	-	-	62,672
-	-	-	86,829
-	-	-	622,206
2,390,351	-	-	2,390,351
-	-	319,509	319,509
-	-	-	1,171
-	-	194,352	292,207
-	-	-	51,866
-	-	-	1,105
-	-	-	15,877
-	-	-	56,741
-	-	-	10,582
-	(599,279)	-	142,779
3,101,364	(599,279)	513,861	4,732,526
3,190,032	167,000	518,450	8,419,362

Ida County

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

June 30, 2017

Total governmental fund balances (page 21) \$ 4,732,526

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets is \$25,195,933 and the accumulated depreciation is \$9,408,167.

15,787,766

Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds.

276,204

Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:

Deferred outflows of resources

\$ 537,635

Deferred inflows of resources

(105,509)

432,126

Long-term liabilities, including capital lease purchase agreement payable, the estimated liability for closure and postclosure care, compensated absences payable, other postemployment benefits payable and net pension liability, are not due and payable in the current year and, therefore, are not reported in the governmental funds.

(1,875,157)

Net position of governmental activities (page 17)

\$ 19,353,465

See notes to financial statements.

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

Year ended June 30, 2017

		Special	
	General	Mental Health	Rural Services
Revenues:			
Property and other county tax	\$ 1,533,632	175,336	508,870
Tax increment financing	-	-	-
Local option sales tax	-	-	346,720
Penalty and interest on property tax	20,541	-	-
Intergovernmental	279,184	17,702	37,054
Licenses and permits	2,422	-	-
Charges for service	273,305	-	1,269
Use of money and property	21,870	-	-
Miscellaneous	61,091	-	10
Total revenues	2,192,045	193,038	893,923
Expenditures:			
Operating:			
Public safety and legal services	814,636	-	-
Physical health and social services	216,105	-	-
Mental health	-	229,217	-
County environment and education	343,282	-	65,115
Roads and transportation	-	-	-
Governmental services to residents	267,047	-	-
Administration	731,403	-	-
Capital projects	-	-	-
Total expenditures	2,372,473	229,217	65,115
Excess (deficiency) of revenues over (under) expenditures	(180,428)	(36,179)	828,808
Other financing sources (uses):			
Transfers in	4,607	-	17,402
Transfers out	(125,680)	-	(856,157)
Total other financing sources (uses)	(121,073)	-	(838,755)
Change in fund balances	(301,501)	(36,179)	(9,947)
Fund balances beginning of year	1,307,802	123,008	633,397
Fund balances end of year	\$ 1,006,301	86,829	623,450

See notes to financial statements.

Revenue			
Secondary Roads	Ida County Urban Renewal	Nonmajor	Total
-	-	-	2,217,838
-	170,748	-	170,748
-	-	-	346,720
-	-	-	20,541
2,733,029	8,786	18,103	3,093,858
31,490	-	-	33,912
-	-	1,562	276,136
-	-	2,280	24,150
142,599	-	51,101	254,801
2,907,118	179,534	73,046	6,438,704
-	-	4,100	818,736
-	-	2,066	218,171
-	-	-	229,217
-	-	18,318	426,715
2,789,795	-	2,944	2,792,739
-	-	1,765	268,812
-	-	25,012	756,415
107,324	-	-	107,324
2,897,119	-	54,205	5,618,129
9,999	179,534	18,841	820,575
1,357,310	-	62,794	1,442,113
(25,584)	(417,290)	(17,402)	(1,442,113)
1,331,726	(417,290)	45,392	-
1,341,725	(237,756)	64,233	820,575
1,759,639	(361,523)	449,628	3,911,951
3,101,364	(599,279)	513,861	4,732,526

Ida County

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances –
Governmental Funds to the Statement
of Activities

Year ended June 30, 2017

Change in fund balances - Total governmental funds (page 25) \$ 820,575

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

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

Expenditures for capital assets	\$ 581,921	
Capital assets contributed by the Iowa Department of Transportation	105,278	
Depreciation expense	<u>(1,115,519)</u>	(428,320)

In the Statement of Activities, the gain on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources. 8,000

Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are recognized as deferred inflows of resources in the governmental funds. (23,796)

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

The current year County IPERS contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position. 194,720

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

Compensated absences	2,114	
Adjustment to estimated costs for landfill closure and postclosure care	4,702	
Other postemployment benefits	(25,100)	
Pension expense	<u>(173,339)</u>	<u>(191,623)</u>

Change in net position of governmental activities (page 19) \$ 384,556

See notes to financial statements.

Ida County
Statement of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2017

Assets

Cash and pooled investments:

County Treasurer \$ 929,299

Other County officials 49,005

Receivables:

Succeeding year property tax 10,151,000

Accounts 4,225

Due from other governments 3,205

Total assets

11,136,734

Liabilities

Accounts payable 40,339

Salaries and benefits payable 49,388

Due to other governments 10,984,371

Compensated absences 62,636

Total liabilities

11,136,734

Net position

\$ -

See notes to financial statements.

Ida County

Ida County
Notes to Financial Statements
June 30, 2017

(1) Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

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

Ida County Public Safety and Communications Commission – Ida County is a member of the Ida County Public Safety and Communications Commission (the Commission) established pursuant to Chapter 28E of the Code of Iowa. The Commission plans for County-wide law enforcement and communications within the boundaries of the County, including all rural areas and participating municipalities. The Commission can contract with any and all public agencies which wish to enter into contracts with the Commission for the provision of law enforcement, communications and public safety services. The Commission furnishes law enforcement services, emergency communications and such other services as may be necessary to protect the rights and property of all citizens of any public agency contracting with the Commission. The Commission's Board is comprised of three representatives selected by and from the Ida County Board of Supervisors and one representative selected by each participating municipality. The Commission is funded primarily by assessments made against each participating member. The County's participating share cannot be less than 43% of the annual budget. The County has an ongoing financial responsibility to the Commission for its continued existence. Membership in the Commission for the year ended June 30, 2017 included five municipalities and the County. During the year ended June 30, 2017, Ida County contributed \$576,371 and the municipalities contributed \$764,029 to support the Commission. Financial transactions of the Commission are included in the County's financial statements only to the extent of the County's fiduciary relationship with the Commission and, as such, are reported as part of the Other Agency Funds of the County.

Jointly Governed Organizations – The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Ida County Assessor's Conference Board, Ida County Emergency Management Commission, Ida County Public Safety Commission and Ida County Joint E-911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Agency Funds of the County.

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

B. Basis of Presentation

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

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

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

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

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

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

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

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

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

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

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

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

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2015 assessed property valuations; is for the tax accrual period July 1, 2016 through June 30, 2017 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2016.

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

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

Capital Assets – Capital assets, which include property, furniture and equipment and intangibles acquired after July 1, 1980 are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

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

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

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

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense, the unamortized portion of the net difference between projected and actual earnings on pension plan investments and contributions from the County after the measurement date but before the end of the County's reporting period.

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

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2017. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

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

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

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue Mental Health, Rural Services and Secondary roads Funds.

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

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax and tax increment financing receivables that will not be recognized until the year for which they are levied and unrecognized items not yet credited to pension expense.

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

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

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

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

Unassigned – All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

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

(2) Cash and Pooled Investments

The County's deposits in banks at June 30, 2017 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

The County had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

(3) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2017 is as follows:

Transfer to	Transfer from	Amount
General	Special Revenue: Ida County Urban Renewal	<u>\$ 4,607</u>
Special Revenue: Rural Services	Special Revenue: Landfill Closure/Postclosure	<u>17,402</u>
Secondary Roads	General	88,470
	Special Revenue: Rural Services	856,157
	Ida County Urban Renewal	<u>412,683</u>
		<u>1,357,310</u>
Self-Funding Insurance	General	37,210
	Special Revenue: Secondary Roads	<u>25,584</u>
		<u>62,794</u>
Total		<u>\$ 1,442,113</u>

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

(4) Interfund Assets/Liabilities

The detail of advances to/from is as follows:

Receivable Fund	Payable Fund	Amount
Special Revenue: Secondary Roads	Special Revenue: Ida County Urban Renewal	<u>\$ 599,279</u>

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

(5) Capital Assets

Capital assets activity for the year ended June 30, 2017 was as follow:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 241,692	-	-	241,692
Construction in progress	87,080	17,687	-	104,767
Total capital assets not being depreciated	328,772	17,687	-	346,459
Capital assets being depreciated:				
Buildings	1,987,250	-	-	1,987,250
Equipment and vehicles	5,477,752	152,804	(22,525)	5,608,031
Infrastructure, road network	16,729,485	524,708	-	17,254,193
Total capital assets being depreciated	24,194,487	677,512	(22,525)	24,849,474
Less accumulated depreciation for:				
Buildings	1,273,578	48,978	-	1,322,556
Equipment and vehicles	3,620,406	365,134	(22,525)	3,963,015
Infrastructure, road network	3,421,189	701,407	-	4,122,596
Total accumulated depreciation	8,315,173	1,115,519	(22,525)	9,408,167
Total capital assets being depreciated, net	15,879,314	(438,007)	-	15,441,307
Governmental activities capital assets, net	<u>\$ 16,208,086</u>	<u>(420,320)</u>	<u>-</u>	<u>15,787,766</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 30,151
County environment and education	26,958
Roads and transportation	1,016,147
Governmental services to residents	7,475
Administration	<u>34,788</u>
Total depreciation expense - governmental activities	<u>\$ 1,115,519</u>

(6) Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2017 is as follows:

Fund	Description	Amount
General	Services	\$ 2,747
Special Revenue:		
Rural Services	Services	237
Secondary Roads		232
Nonmajor	Services	109
Total for governmental funds		<u>\$ 3,325</u>
Agency:		
County Offices	Collections	\$ 49,514
Agricultural Extension Education		164,610
County Assessor		387,172
Schools		6,779,550
Community Colleges		445,830
Corporations		2,334,254
Townships		267,355
Auto License and Use Tax		251,568
All other		304,518
Total for agency funds		<u>\$ 10,984,371</u>

(7) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2017 is as follows:

	Capital Lease Purchase Agreement	Compen- sated Absences	Estimated Liability for Closure and Postclosure Care	Net Pension Liability	Net OPEB Liability	Total
Balance beginning of year	\$ 10,000	54,605	312,144	1,016,307	61,400	1,454,456
Increases	-	9,194	-	407,417	25,100	441,711
Decreases	5,000	11,308	4,702	-	-	21,010
Balance end of year	<u>\$ 5,000</u>	<u>52,491</u>	<u>307,442</u>	<u>1,423,724</u>	<u>86,500</u>	<u>1,875,157</u>
Due within one year	<u>\$ 5,000</u>	<u>28,968</u>	<u>14,560</u>	<u>-</u>	<u>-</u>	<u>48,528</u>

Capital Lease Purchase Agreement

The County entered into an interest free capital lease purchase agreement to lease a utility tractor with an historical cost of \$37,900. The County received a trade in allowance of \$6,500 and made a down payment of \$11,400 at the inception of the lease. The following is a schedule of the future minimum lease payments under the agreement in effect at June 30, 2017:

<u>Year ending</u> <u>June 30,</u>	<u>Amount</u>
2018	<u>\$ 5,000</u>

The payment under this capital lease purchase agreement totaled \$5,000 for the year ended June 30, 2017.

(8) Pension Plan

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

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

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

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

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

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

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

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

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

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

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

In fiscal year 2017, pursuant to the required rate, Regular members contributed 5.95% of covered payroll and the County contributed 8.93% of covered payroll, for a total rate of 14.88%. The Sheriff, deputies and the County each contributed 9.63% of covered payroll, for a total rate of 19.26%. Protection occupation members contributed 6.56% of covered payroll and the County contributed 9.84% of covered payroll, for a total rate of 16.40%.

The County's contributions to IPERS for the year ended June 30, 2017 totaled \$194,720.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2017, the County reported a liability of \$1,423,724 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2016, the County's proportion was 0.022623%, which was an increase of 0.002052% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of \$173,339. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,025	37,901
Changes of assumptions	19,033	10,852
Net difference between projected and actual earnings on IPERS' investments	296,363	-
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	16,494	56,756
County contributions subsequent to the measurement date	194,720	-
Total	<u>\$ 537,635</u>	<u>105,509</u>

\$194,720 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	Amount
2018	\$ 4,192
2019	4,192
2020	142,800
2021	87,360
2022	(1,138)
Total	<u>\$ 237,406</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2014)	3.00% per annum.
Rates of salary increase (effective June 30, 2010)	4.00 to 17.00% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.50% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 1990)	4.00% per annum, based on 3.00% inflation and 1.00% real wage inflation.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

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

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

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Core plus fixed income	28%	1.90%
Domestic equity	24	5.85
International equity	16	6.32
Private equity/debt	11	10.31
Realestate	8	3.87
Credit opportunities	5	4.48
U.S. TIPS	5	1.36
Other real assets	2	6.42
Cash	1	(0.26)
Total	<u>100%</u>	

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

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

	<u>1% Decrease (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
County's proportionate share of the net pension liability	\$ 2,651,503	1,423,724	389,043

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

Payables to IPERS – All legally required County contributions and legally required employee contributions which had been withheld from employee wages were remitted by the County to IPERS by June 30, 2017.

(9) Other Postemployment Benefits (OPEB)

Plan Description – The County operates a single-employer health benefit plan which provides health benefits for employees, retirees and their spouses. There are 45 active and 1 retired members in the plan. Retired participants must be age 55 or older at retirement; with the exception of special service participants who must be age 50 with 22 years of service.

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

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

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

The following table shows the components of the County's annual OPEB cost for the year ended June 30, 2017, the amount actually contributed to the plan and changes in the County's net OPEB obligation:

Annual required contribution	\$ 25,300
Interest on net OPEB obligation	2,500
Adjustment to annual required contribution	<u>(2,700)</u>
Annual OPEB cost	25,100
Contributions made	<u>-</u>
Increase in net OPEB obligation	25,100
Net OPEB obligation beginning of year	<u>61,400</u>
Net OPEB obligation end of year	<u>\$ 86,500</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2017.

For the year ended June 30, 2017, the County did not contribute to the health plan. Plan members eligible for benefits contributed \$763 of the premium costs.

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

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 17,700	85.3%	\$ 36,100
2016	25,300	0.0	61,400
2017	25,100	0.0	86,500

Funded Status and Funding Progress – As of July 1, 2015, the most recent actuarial valuation date for the period July 1, 2016 through June 30, 2017, the actuarial accrued liability was approximately \$165,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$165,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$1,897,000 and the ratio of the UAAL to covered payroll was 8.70%. As of June 30, 2017, there were no trust fund assets.

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

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

As of the July 1, 2015 actuarial valuation date, the unit credit actuarial cost method was used. The actuarial assumptions include a 4% discount rate based on the County's funding policy. The projected annual medical trend rate is 9%. The ultimate medical trend rate is 5%. The medical trend rate is reduced .5% each year until reaching the 5% ultimate trend rate. An inflation rate of 3% is assumed for the purpose of this computation.

Mortality rates are from the RPH-2015 table is developed from RPH-2014 table with 8 years of mortality improvement based on MP-2014 scale removed, projected to 2014 using MP-2015 scale.

Projected claim costs of the medical plan are \$763 per month for retirees and \$951 per month for the retiree's spouse. The salary increase rate was assumed to be 3% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis for 30 years.

(10) Risk Management

The County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 753 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual casualty operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses estimated for the fiscal year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of basis rate.

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

The County's property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The County's contributions to the Pool for the year ended June 30, 2017 were \$96,083.

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 \$500,000 per claim. Claims exceeding \$500,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location. Property risks exceeding \$250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate.

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

The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2017, no liability has been recorded in the County's financial statements. As of June 30, 2017, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

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

(11) Closure and Postclosure Care Costs

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

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

These costs for the Ida County Landfill have been estimated at \$305,760 and a provision for this liability has been made in the County's Statement of Net Position as of June 30, 2017. This amount is based on what it would cost to perform all postclosure care during the year ended June 30, 2017. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The Ida County Landfill closed during fiscal year 2008 at 100% capacity.

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

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

As of June 30, 2017, the total closure care costs for the transfer station have been estimated at \$1,682 and a provision for this liability has been made in the County's Statement of Net Position as of June 30, 2017.

Chapter 455B.306(9)(b) of the Code of Iowa requires permit holders of municipal solid waste landfills to maintain separate closure and postclosure care accounts to accumulate resources for the payment of closure and postclosure care costs. The County has accumulated resources to fund these liabilities and, at June 30, 2017, assets totalling \$319,509 are restricted for these purposes. They are reported as restricted cash and pooled investments in the Balance Sheet for the Special Revenue, Landfill Closure/Postclosure and Transfer Station Closure Funds and in the Statement of Net Position.

(12) Ida County Public Safety and Communications Commission

The County participates in the Ida County Public Safety and Communications Commission, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa. Financial transactions of this organization are included in the County's financial statements as part of the Other Agency Funds because of the County's fiduciary relationship with the organization. The following financial data for the Commission is for the year ended June 30, 2017:

	Ida County Public Safety and Communications Commission						
			Sherriff's	Sherriff's			
	Confiscated	Sheriff's	Commissary	Reserve	Sheriff's		
	Operating	Property	K-9	Fund	Deputy	DARE	Total
Additions:							
Contributions from governmental units:							
Ida County	\$ 576,371	-	-	-	-	-	576,371
Ida Grove	365,929	-	-	-	-	-	365,929
Holstein	218,485	-	-	-	-	-	218,485
Arthur	34,851	-	-	-	-	-	34,851
Galva	44,234	-	-	-	-	-	44,234
Battle Creek	100,530	-	-	-	-	-	100,530
	<u>1,340,400</u>	-	-	-	-	-	<u>1,340,400</u>
Prisoner fees:							
Boarding fees	16,005	-	-	-	-	-	16,005
Work release fees	2,000	-	-	-	-	-	2,000
	<u>18,005</u>	-	-	-	-	-	<u>18,005</u>
Miscellaneous:							
Refunds	8,936	-	-	-	-	-	8,936
Donations	-	-	8,925	-	-	-	8,925
Confiscated property	-	1,339	-	-	-	-	1,339
Miscellaneous	26,119	-	-	-	-	-	26,119
Total miscellaneous	<u>35,055</u>	<u>1,339</u>	<u>8,925</u>	-	-	-	<u>45,319</u>
Total additions	<u>1,393,460</u>	<u>1,339</u>	<u>8,925</u>	-	-	-	<u>1,403,724</u>
Deductions:							
Salaries and wages	803,167	-	-	-	-	-	803,167
Benefits	232,583	-	-	-	-	-	232,583
Iowa system rental	5,520	-	-	-	-	-	5,520
Postage and mailing	1,999	-	-	-	-	-	1,999
Office supplies	18,528	-	-	-	-	-	18,528
Mileage and subsistence	1,550	-	-	-	-	-	1,550
Education and training	11,389	-	-	-	-	-	11,389
Uniform allowance	4,609	-	-	-	-	-	4,609
Insurance	42,341	-	-	-	-	-	42,341
Equipment, supplies and maintenance	67,830	-	-	-	-	-	67,830
Motor vehicle	61,254	-	-	-	-	-	61,254
Motor vehicle supplies	70,049	-	-	-	-	-	70,049
Telephone and fax	8,611	-	-	-	-	-	8,611
Radio equipment repairs and maintenance	4,716	-	-	-	-	-	4,716
Investigations	631	-	-	-	-	-	631
Jail food and provisions	26,744	-	-	-	-	-	26,744
Jail supplies	1,685	-	-	-	-	-	1,685
Medical supplies	15,274	-	-	-	-	-	15,274
Improvements	260	-	-	-	-	-	260
K-9 supplies	-	-	5,100	-	-	-	5,100
Court and related legal services	-	466	4,000	-	-	-	4,466
Miscellaneous	2,495	-	731	71	1	-	3,298
Total deductions	<u>1,381,235</u>	<u>466</u>	<u>9,831</u>	<u>71</u>	<u>1</u>	-	<u>1,391,604</u>
Change in balance	12,225	873	(906)	(71)	(1)	-	12,120
Balance beginning of year	<u>20,514</u>	<u>6,113</u>	<u>145</u>	<u>71</u>	<u>176</u>	<u>16</u>	<u>27,035</u>
Balance end of year	<u>\$ 32,739</u>	<u>6,986</u>	<u>(761)</u>	-	<u>175</u>	<u>16</u>	<u>39,155</u>

(13) Public Health Services Agreement

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

The home health, public health and homemakers services provided will be under the administrative control of the Hospital. All services rendered under the terms of the agreement are to be funded by the Hospital, except where residents of the County may be unable to pay for said services, in which case the Hospital may submit monthly claims for reimbursements for services and fees to the County for payment. In addition, the County agreed to pay the Hospital an annual fee of \$85,000 for public health services, which will be paid in quarterly increments beginning July 1, 2006. An annual cost of living increase, as determined by the cost of living index for Social Security benefits, will be provided for each following year. During fiscal year 2017, the County paid \$103,360 pursuant to this agreement.

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

(14) Development Agreements and Establishment of Urban Renewal Area

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

In November 2006, pursuant to the Enterprise Zone Program established under Chapters 15E.191 to 15E.198 of the Code of Iowa, the County entered into a private development agreement with Maple River Energy, LLC for construction of a 5 million gallon per year biodiesel and soybean processing plant. The County agreed to provide a 100% abatement of Maple River Energy, LLC property tax for ten years and to rebate 75% of the property tax paid by Maple River Energy, LLC for an additional ten years, which will begin in year eleven. The County also agreed to pay up to \$362,000 for expenses related to road improvements to support the project. On July 12th, 2012, The Board amended the agreement, reassigning authorization for financial assistance from Maple River Energy, LLC to Sioux Valley Investments and on November 29, 2012 the Board approved an agreement for Private Development with American Natural Soy, which is a part of Sioux Valley Investments. On February 28, 2013, the Board authorized financial assistance for American Natural Processors (American Natural Soy) for a ten year abatement of taxes for assessment years 2014 to 2023 and a 75% tax increment financing rebate of for assessment years 2024 to 2034. As of June 30, 2017, the County has satisfied their commitment related to the road project.

In March 2007, pursuant to the Enterprise Zone Program established under Chapters 15E.191 to 15E.198 of the Code of Iowa, the County entered into a private development agreement under the authority of Chapter 403 of the Code of Iowa with Platinum Ethanol, LLC for construction of a dry mill, corn-processing ethanol plant facility at an amount of not less than \$160,000,000. The County has adopted Ida County Urban Renewal Plan #1, which encompasses the development property. The County will provide a 100% abatement of Platinum Ethanol, LLC property tax for ten years. The County also agreed to rebate 75% of the property tax paid by Platinum Ethanol, LLC for an additional ten years, which will begin in fiscal year 2020. The County agreed to pay up to \$350,000 for expenses related to road improvements to support the project. On December 15, 2010, the County amended the agreement to include an additional \$150,000 in expenses related to road improvements, for a total of \$500,000. On August 26, 2013, the Board of Supervisors approved an assignment and consent of financial assistance from Platinum Ethanol, LLC to Flint Hills Resources Arthur LLC. As of June 30, 2014, the County had met its obligation related to road improvements. Platinum Ethanol, LLC will make nineteen annual payments in the amount of \$25,000 to the County, beginning no later than January 30, 2010, and continuing for eighteen additional years on the anniversary of the first payment, for a total of \$475,000, to be used by the County for County improvement projects. As of June 30, 2017, the County has received cumulative contributions totaling \$200,000.

In 2014, the Enterprise Zone Program and Chapters 15E.191 through 15E.198 were repealed. However, since the County awarded the development agreements under this program prior to July 1, 2014, the businesses are eligible to continue to claim incentives pursuant to the original agreements.

(15) Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

County Tax Abatements

The County provides tax abatements for urban renewal and economic development projects through abatement of property valuations and through the use of tax increment financing as provided for in Chapters 15A, Chapters 15E.191 through 15E.198 (Enterprise Zone Program repealed in 2014) and 403 of the Code of Iowa. For these types of projects, the County enters into agreements with developers which require the County, after developers meet the terms of the agreements, to reduce the taxable valuation for the period of time and/or rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount. The County also agreed to pay a portion of the costs related to road improvements to support the development projects.

For the year ended June 30, 2017, the County abated \$154,745 of property tax under the urban renewal and economic development projects.

Tax Abatements of Other Entities

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2017 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Battle Creek	Urban renewal and economic development projects	\$ 1,218
City of Holstein	Urban renewal and economic development projects	\$ 7,183
City of Ida Grove	Urban renewal and economic development projects	\$ 5,439

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

Rolling Hills Community Services Region, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa which became effective July 10, 2014, includes the following member counties: Buena Vista County, Calhoun County, Carroll County, Cherokee County, Crawford County, Sac County and Ida County. The financial activity of the County's Special Revenue, Mental Health Fund is included in the Rolling Hills Community Services Region for the year ended June 30, 2017, as follows:

Revenues:	
Property and other county tax	\$ 175,336
Intergovernmental:	
State tax credits	<u>17,702</u>
Total revenues	193,038
Expenditures:	
General administration:	
Distribution to regional fiscal agent	<u>229,217</u>
Excess of expenditures over revenues	(36,179)
Fund balance beginning of year	<u>123,008</u>
Fund balance end of year	<u>\$ 86,829</u>

(17) Deficit Fund Balance

At June 30, 2017, the Special Revenue, Ida County Urban Renewal Fund had a deficit fund balance of \$599,279 due to an advance from another fund spent for urban renewal purposes. The deficit will be eliminated with future tax increment financing revenues.

(18) Subsequent Event

In February 2018, the County entered into a general obligation urban renewal loan agreement to borrow a principal amount not to exceed \$25,000,000 for the purpose of paying the cost of urban renewal projects consisting of constructing highway, bridge and culvert improvements.

(19) New Accounting Pronouncement

The County adopted the tax abatement disclosure guidance set forth in Governmental Accounting Standards Board Statement No. 77, Tax Abatement Disclosures. The Statement sets forth guidance for the disclosure of information about the nature and magnitude of tax abatements which will make these transactions more transparent to financial statement users. Adoption of the guidance did not have an impact on amounts reported in the financial statements. The Notes to Financial Statements include information about the County's tax abatements and tax abatements of other entities which impact the County.

(20) Prospective Accounting Change

The Governmental Accounting Standards Board has issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement will be implemented for the fiscal year ending June 30, 2018. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with postemployment benefits other than pensions, including additional note disclosures and required supplementary information. In addition, the Statement of Net Position is expected to include a significant liability for the County's other postemployment benefits.

Required Supplementary Information

Ida County

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

Required Supplementary Information

Year ended June 30, 2017

		Budgeted Amounts		Final to
	Actual	Original	Final	Actual
				Variance
Receipts:				
Property and other county tax	\$ 2,738,347	2,668,106	2,668,106	70,241
Interest and penalty on property tax	20,541	15,000	15,000	5,541
Intergovernmental	3,078,623	3,004,365	3,004,365	74,258
Licenses and permits	34,509	19,200	19,200	15,309
Charges for service	264,269	200,225	200,225	64,044
Use of money and property	20,685	13,760	13,760	6,925
Miscellaneous	365,735	299,946	299,946	65,789
Total receipts	6,522,709	6,220,602	6,220,602	302,107
Disbursements:				
Public safety and legal services	819,428	821,290	842,790	23,362
Physical health and social services	221,307	336,204	314,704	93,397
Mental health	229,217	229,217	229,217	-
County environment and education	415,202	408,310	438,310	23,108
Roads and transportation	3,121,212	3,576,504	3,576,504	455,292
Governmental services to residents	266,115	307,538	307,538	41,423
Administration	787,124	813,949	813,949	26,825
Capital projects	107,324	520,000	520,000	412,676
Total disbursements	5,966,929	7,013,012	7,043,012	1,076,083
Excess (deficiency) of receipts over (under) disbursements	555,780	(792,410)	(822,410)	1,378,190
Balance beginning of year	3,317,416	2,346,597	2,346,597	970,819
Balance end of year	\$ 3,873,196	1,554,187	1,524,187	2,349,009

See accompanying independent auditor's report.

Ida County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation
Required Supplementary Information

Year ended June 30, 2017

	Governmental Funds		
	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis
Revenues	\$ 6,522,709	(84,005)	6,438,704
Expenditures	5,966,929	(348,800)	5,618,129
Net	555,780	264,795	820,575
Beginning fund balances	3,317,416	594,535	3,911,951
Ending fund balances	<u>\$ 3,873,196</u>	<u>859,330</u>	<u>4,732,526</u>

See accompanying independent auditor's report.

Ida County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2017

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

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

Formal and legal budgetary control is based upon eight major classes of expenditures known as functions, not by fund. These eight functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund and the Special Revenue Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$30,000. The budget amendments are reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E-911 System by the Joint E-911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2017, disbursements did not exceed the amounts budgeted by function.

Ida County

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

Iowa Public Employees' Retirement System
For the Last Three Years*
(In Thousands)

Required Supplementary Information

	2017	2016	2015
County's proportion of the net pension liability	0.022623%	0.020571%	0.019153%
County's proportionate share of the net pension liability	\$ 1,424	1,016	760
County's covered-employee payroll	\$ 2,099	1,990	1,930
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	67.84%	51.06%	39.38%
IPERS' net position as a percentage of the total pension liability	81.82%	85.19%	87.61%

* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

See accompanying independent auditor's report.

Ida County
Schedule of County Contributions
Iowa Public Employees' Retirement System
For the Last Ten Years
(In Thousands)

Required Supplementary Information

	2017	2016	2015	2014
Statutorily required contributions	\$ 195	193	184	178
Contributions in relation to the statutorily required contribution	<u>(195)</u>	<u>(193)</u>	<u>(184)</u>	<u>(178)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered-employee payroll	\$ 2,112	2,099	1,990	1,930
Contributions as a percentage of covered-employee payroll	9.23%	9.19%	9.25%	9.22%

See accompanying independent auditor's report.

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

2013	2012	2011	2010	2009	2008
182	164	143	138	172	118
(182)	(164)	(143)	(138)	(172)	(118)
-	-	-	-	-	-
2,010	1,910	1,880	1,953	2,280	*
9.05%	8.59%	7.61%	7.07%	7.54%	*

Ida County

Note to Required Supplementary Information – Pension Liability

Year ended June 30, 2017

Changes of benefit terms:

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

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

Changes of assumptions:

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

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

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

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

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

Required Supplementary Information

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2011	Jul 1, 2009	-	\$ 114	114	0.00%	\$ 1,717	6.60%
2012	Jul 1, 2009	-	114	114	0.00	1,707	6.70
2013	Jul 1, 2012	-	158	158	0.00	1,865	8.50
2014	Jul 1, 2012	-	164	164	0.00	1,566	10.50
2015	Jul 1, 2012	-	164	164	0.00	1,625	10.10
2016	Jul 1, 2015	-	165	165	0.00	1,992	8.28
2017	Jul 1, 2015	-	165	165	0.00	1,897	8.70

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

See accompanying independent auditor's report.

Ida County

Supplementary Information

Ida County
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2017

			Special
	County Recorder's Records Management	Resource Enhancement and Protection	Self-Funding Insurance
Assets			
Cash and pooled investments	\$ 13,243	38,469	130,712
Restricted cash and pooled investments	-	-	-
Accounts receivable	114	-	-
Due from other governments	-	2,145	-
Total assets	\$ 13,357	40,614	130,712
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ -	193	3,559
Salaries and benefits payable	-	728	-
Due to other governments	-	-	109
Total liabilities	-	921	3,668
Fund balances:			
Restricted for:			
Landfill closure and postclosure care	-	-	-
Other purposes	13,357	39,693	127,044
Total fund balances	13,357	39,693	127,044
Total liabilities and fund balances	\$ 13,357	40,614	130,712

See accompanying independent auditor's report.

Revenue				
Confiscated				
Funds -	Landfill	Transfer		
County	Closure/	Station		
Attorney	Postclosure	Closure		Total
14,077	-	-		196,501
-	317,197	2,312		319,509
-	-	-		114
181	-	-		2,326
14,258	317,197	2,312		518,450
-	-	-		3,752
-	-	-		728
-	-	-		109
-	-	-		4,589
-	317,197	2,312		319,509
14,258	-	-		194,352
14,258	317,197	2,312		513,861
14,258	317,197	2,312		518,450

Ida County

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

Year ended June 30, 2017

			Special
	County Recorder's Records Management	Resource Enhancement and Protection	Self-Funding Insurance
Revenues:			
Intergovernmental	\$ -	16,121	-
Charges for service	1,562	-	-
Use of money and property	-	-	-
Miscellaneous	-	1,874	49,227
Total revenues	1,562	17,995	49,227
Expenditures:			
Operating:			
Public safety and legal services	-	-	-
Physical health and social services	-	-	-
County environment and education	-	18,318	-
Roads and transportation	-	-	2,944
Government services to residents	1,765	-	-
Administration	-	-	25,012
Total expenditures	1,765	18,318	27,956
Excess (deficiency) of revenues over (under) expenditures	(203)	(323)	21,271
Other financing sources (uses):			
Transfers in	-	-	62,794
Transfers out	-	-	-
Total other financing sources (uses)	-	-	62,794
Change in fund balances	(203)	(323)	84,065
Fund balances beginning of year	13,560	40,016	42,979
Fund balances end of year	\$ 13,357	39,693	127,044

See accompanying independent auditor's report.

Revenue					
Confiscated Funds - County Attorney	Landfill Closure/ Postclosure	Transfer Station Closure	Public Health Services Enhancement	Total	
1,982	-	-	-	18,103	
-	-	-	-	1,562	
-	2,280	-	-	2,280	
-	-	-	-	51,101	
1,982	2,280	-	-	73,046	
4,100	-	-	-	4,100	
-	-	-	2,066	2,066	
-	-	-	-	18,318	
-	-	-	-	2,944	
-	-	-	-	1,765	
-	-	-	-	25,012	
4,100	-	-	2,066	54,205	
(2,118)	2,280	-	(2,066)	18,841	
-	-	-	-	62,794	
-	(17,402)	-	-	(17,402)	
-	(17,402)	-	-	45,392	
(2,118)	(15,122)	-	(2,066)	64,233	
16,376	332,319	2,312	2,066	449,628	
14,258	317,197	2,312	-	513,861	

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

June 30, 2017

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash and pooled investments:				
County Treasurer	\$ -	2,610	105,032	109,550
Other County officials	49,005	-	-	-
Receivables:				
Succeeding year property tax	-	162,000	290,000	6,670,000
Accounts	509	-	-	-
Due from other governments	-	-	4	-
Total assets	\$ 49,514	164,610	395,036	6,779,550
Liabilities				
Liabilities:				
Accounts payable	\$ -	-	399	-
Salaries and benefits payable	-	-	4,544	-
Due to other governments	49,514	164,610	387,172	6,779,550
Compensated absences	-	-	2,921	-
Total liabilities	\$ 49,514	164,610	395,036	6,779,550

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Other	Total
6,830	9,254	4,355	251,568	440,100	929,299
-	-	-	-	-	49,005
439,000	2,325,000	263,000	-	2,000	10,151,000
-	-	-	-	3,716	4,225
-	-	-	-	3,201	3,205
445,830	2,334,254	267,355	251,568	449,017	11,136,734
-	-	-	-	39,940	40,339
-	-	-	-	44,844	49,388
445,830	2,334,254	267,355	251,568	304,518	10,984,371
-	-	-	-	59,715	62,636
445,830	2,334,254	267,355	251,568	449,017	11,136,734

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

Year ended June 30, 2017

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets and Liabilities				
Balances beginning of year	\$ 49,866	145,677	295,580	6,171,766
Additions:				
Property and other county tax	-	162,053	290,237	6,669,607
E-911 surcharge	-	-	-	-
State tax credits	-	14,538	21,630	611,993
Drivers license fees	-	-	-	-
Office fees and collections	121,308	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Trusts	160,376	-	-	-
Miscellaneous	-	-	15,422	-
Total additions	281,684	176,591	327,289	7,281,600
Deductions:				
Agency remittances:				
To other funds	121,660	-	-	-
To other governments	96,306	157,658	227,833	6,673,816
Trusts paid out	64,070	-	-	-
Total deductions	282,036	157,658	227,833	6,673,816
Balances end of year	\$ 49,514	164,610	395,036	6,779,550

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Other	Total
383,460	1,989,679	247,239	251,343	421,947	9,956,557
439,332	2,305,436	262,709	-	7,387	10,136,761
-	-	-	-	33,564	33,564
38,000	313,345	19,923	-	162	1,019,591
-	-	-	12,040	-	12,040
-	-	-	-	9	121,317
-	-	-	3,066,886	-	3,066,886
-	-	-	-	-	160,376
-	-	-	-	1,576,795	1,592,217
477,332	2,618,781	282,632	3,078,926	1,617,917	16,142,752
-	-	-	100,572	-	222,232
414,962	2,274,206	262,516	2,978,129	1,590,847	14,676,273
-	-	-	-	-	64,070
414,962	2,274,206	262,516	3,078,701	1,590,847	14,962,575
445,830	2,334,254	267,355	251,568	449,017	11,136,734

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

For the Last Ten Years

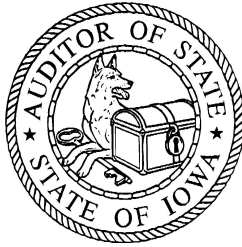
				Modified
	2017	2016	2015	2014*
Revenues:				
Property and other county tax	\$ 2,217,838	2,167,753	2,313,691	2,280,230
Tax increment financing	170,748	167,439	175,014	126,364
Local option sales tax	346,720	298,681	295,104	256,677
Interest and penalty on property tax	20,541	13,830	14,941	15,138
Intergovernmental	3,093,858	2,870,076	2,869,542	2,445,172
Licenses and permits	33,912	27,284	17,303	20,055
Charges for service	276,136	430,693	243,639	243,101
Use of money and property	24,150	19,545	13,273	15,609
Miscellaneous	254,801	285,495	317,070	136,273
Total	<u>\$ 6,438,704</u>	<u>6,280,796</u>	<u>6,259,577</u>	<u>5,538,619</u>
Expenditures:				
Operating:				
Public safety and legal services	\$ 818,736	746,171	705,210	699,164
Physical health and social services	218,171	261,267	255,549	245,432
Mental health	229,217	249,935	344,855	238,438
County environment and education	426,715	347,439	337,740	328,472
Roads and transportation	2,792,739	3,478,971	3,490,268	2,744,088
Governmental services to residents	268,812	318,643	242,600	232,860
Administration	756,415	677,670	714,929	617,341
Capital projects	107,324	152,864	580,354	1,026,513
Total	<u>\$ 5,618,129</u>	<u>6,232,960</u>	<u>6,671,505</u>	<u>6,132,308</u>

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

See accompanying independent auditor's report.

Accrual Basis					
2013	2012	2011	2010	2009	2008
2,536,759	2,452,762	2,598,602	2,585,205	1,982,400	1,938,425
133,390	123,736	131,673	104,264	32,211	-
273,495	292,918	276,709	111,477	-	-
15,201	16,391	17,587	18,177	14,344	15,209
2,298,616	2,528,670	2,511,521	2,488,046	2,814,275	2,499,595
16,610	14,678	15,439	16,969	14,894	14,464
232,967	266,671	214,234	206,147	203,993	296,179
13,396	13,036	12,845	19,763	54,773	178,595
134,768	166,353	268,084	161,042	92,533	102,631
5,655,202	5,875,215	6,046,694	5,711,090	5,209,423	5,045,098
675,389	644,365	622,251	618,674	582,787	568,539
235,067	226,956	259,742	292,453	254,743	233,244
239,098	805,189	692,743	585,229	617,916	722,629
-	279,603	286,912	269,543	616,675	374,184
2,800,607	2,600,475	2,374,426	2,644,571	2,242,896	2,595,001
237,855	221,132	227,452	242,777	250,908	217,704
607,175	645,931	571,705	562,824	646,839	621,533
115,471	115,161	272,514	552,796	280,420	1,175,003
4,910,662	5,538,812	5,307,745	5,768,867	5,493,184	6,507,837

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



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Auditor of State

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

To the Officials of Ida County:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of Ida County, Iowa, as of and for the year ended June 30, 2017, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 10, 2018.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the County's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as items (A) through (C), we consider to be material weaknesses.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2017 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.


Ida County's Responses to the Findings

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

Purpose of this Report

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

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


MARY MOSIMAN, CPA
Auditor of State

April 10, 2018

Ida County

Schedule of Findings

Year ended June 30, 2017

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

(A) Segregation of Duties

Criteria – Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the County's financial statements.

Condition – 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, Ag Extension
(2) Responsibilities for collection, deposit preparation and reconciliation functions are not segregated from those for recording and accounting for cash receipts.	Treasurer, Recorder, Sheriff and Ag Extension
(3) Investment custody and accounting functions are not segregated and evidence of a review of investments by an independent person did not exist.	Treasurer
(4) Preparing bank reconciliations and handling and recording cash functions are not segregated. Bank reconciliations are not reviewed by an independent person for propriety.	Recorder and Ag Extension
(5) The change fund is shared among employees and is not verified by surprise counts.	Treasurer, Recorder and Ag Extension
(6) Mail is opened by personnel having access to accounting records.	Treasurer, Sheriff and Ag Extension
(7) Current and Delinquent tax reconciliations are not reconciled or reviewed by an independent person.	Treasurer

Cause – The County offices noted above have a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

Ida County

Schedule of Findings

Year ended June 30, 2017

Effect – Inadequate segregation of duties could adversely affect the County’s ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees in the normal course of performing their assigned functions.

Recommendation – Each official should review the control activities of their office to obtain the maximum internal control possible under the circumstances. The official should utilize current personnel, including elected officials, to provide additional control through review of financial transactions, reconciliations and reports.

Responses –

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

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

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

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

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

(B) Financial Reporting

Criteria – A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the County’s financial statements.

Condition – The County did not prepare and submit the fiscal year 2017 infrastructure report to the Iowa County Engineer’s Association (ICEA) reporting system, including beginning balances additions, deletions and fiscal year end balances. (maintained by the ICEA).

Cause – County policies do not require and procedures have not been established to require the County Engineer to prepare the required report.

Effect – The lack of policies and procedures resulted in County not maintaining records for changes to their infrastructure. As a result material adjustments to the County’s financial statements were necessary.

Recommendation – The County should implement procedures to require the preparation of the ICEA infrastructure report, including beginning balances, additions, deletions and fiscal year end balances.

Ida County
Schedule of Findings
Year ended June 30, 2017

Response – The County will enhance its procedures for preparation of the report.

Conclusion – Response accepted.

(C) Computer System

Criteria – Properly designed policies and procedures pertaining to control activities over the County's computer systems and implementation of the policies and procedures help provide reasonable assurance financial information is safeguarded and reliable and help to ensure compliance with applicable laws and regulations.

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

Cause – The County has not required written policies for the above computer based controls.

Effect – Lack of written policies for computer based systems could result in a loss of data or compromised data, resulting in unreliable financial information.

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

Response – We all have our own ID's now to log in for financial transactions.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Ida County
Schedule of Findings
Year ended June 30, 2017

Other Findings Related to Required Statutory Reporting:

- (1) Certified Budget – Disbursements during the year ended June 30, 2017 did not exceed the amounts budgeted.
- (2) Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- (3) Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- (4) Business Transactions – No business transactions between the County and County officials or employees were noted.
- (5) Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- (6) Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- (7) Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.
- (8) Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- (9) Financial Assurance – The County has demonstrated financial assurance for closure and postclosure care by establishing local government dedicated funds as provided in Chapter 567-113.14(6) of the Iowa Administrative Code. Total estimated costs for postclosure care are \$305,760 and total estimated costs for transfer station closure care is \$1,682. The balance restricted for landfill closure and postclosure care and transfer station closure care at June 30, 2017 is \$319,509. Therefore, the closure and postclosure care costs are fully funded at June 30, 2017.
- (10) County Extension Office – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an Extension Council separate and distinct from County operations and, consequently, is not included in Exhibits A or B.

Disbursements during the year ended June 30, 2017 for the Ida County Extension Office did not exceed the amount budgeted.

Ida County

Schedule of Findings

Year ended June 30, 2017

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

The summary of proceedings for Public Safety and Communications Commission meetings was not published during fiscal year 2017 although the bills allowed are published with the County’s schedule of bills allowed. In addition, 9 meetings tested did not have minutes signed and minutes of the next meeting did not document approval.

Recommendation – The Public Safety and Communications Commission should publish a summary of proceedings for each meeting as required by Chapter 28E.6(3)(a) of the Code of Iowa. In addition, minutes should be signed and the approval should be documented.

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

Conclusion – Response accepted.


- (12) Annual Urban Renewal Report – The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1, 2017.

Ida County

Staff

This audit was performed by:

Deborah J. Moser, CPA, Manager
Chad C. Lynch, Staff Auditor
Brett S. Gillen, CPA, Staff Auditor
Madeline W. Petellin, Assistant Auditor
Cody L. Mathews, Assistant Auditor

A handwritten signature in black ink, reading "Andrew E. Nielsen". The signature is fluid and cursive, with the first name "Andrew" and last name "Nielsen" clearly legible.

Andrew E. Nielsen, CPA
Deputy Auditor of State