



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

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Auditor of State

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NEWS RELEASE

FOR RELEASE March 28, 2008

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

The County had local tax revenue of \$8,448,603 for the year ended June 30, 2007, which included \$520,307 in tax credits from the state. The County forwarded \$6,505,513 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$1,943,090 of the local tax revenue to finance County operations, a less than one percent increase over the prior year. Other revenues included charges for service of \$557,037, operating grants, contributions and restricted interest of \$2,460,508, capital grants, contributions and restricted interest of \$3,547,412, unrestricted investment earnings of \$255,111 and other general revenues of \$77,624.

Expenses for County operations totaled \$5,245,642, a 3.9 percent increase over the prior year. Expenses included \$2,334,510 for roads and transportation, \$741,562 for administration and \$658,924 for mental health.

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

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IDA COUNTY
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS
JUNE 30, 2007

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Ida County

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
(Before January 2007)		
Jerry Ralston	Board of Supervisors	Jan 2007
Joseph L. Cronin	Board of Supervisors	Jan 2009
Robert C. Paulsrud	Board of Supervisors	Jan 2009
Lorna Steenbock	County Auditor	Jan 2009
Kay Cork	County Treasurer	Jan 2007
Colleen Gries	County Recorder	Jan 2007
Wade Harriman	County Sheriff	Jan 2009
Kristal Phillips	County Attorney	Jan 2007
Marva Bennigsdorf	County Assessor	Jan 2010
(After January 2007)		
Joseph L. Cronin	Board of Supervisors	Jan 2009
Robert C. Paulsrud	Board of Supervisors	Jan 2009
Allen Hilker	Board of Supervisors	Jan 2011
Lorna Steenbock	County Auditor	Jan 2009
Kay Cork	County Treasurer	Jan 2011
Colleen Gries	County Recorder	Jan 2011
Wade Harriman	County Sheriff	Jan 2009
Kristal Phillips	County Attorney	Jan 2011
Marva Bennigsdorf	County Assessor	Jan 2010

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Independent Auditor's Report

To the Officials of Ida County:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Ida County, Iowa, as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements listed in the table of contents. These financial statements are the responsibility of Ida County's management. Our responsibility is to express opinions on these financial statements based on our audit.

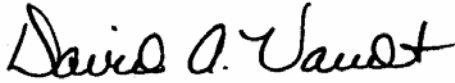
We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Ida County at June 30, 2007, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

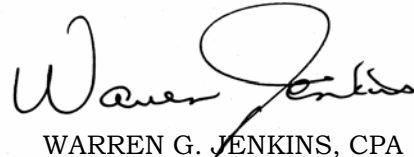
In accordance with Government Auditing Standards, we have also issued our report dated February 29, 2008 on our consideration of Ida County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 7 through 13 and 44 through 46 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Ida County's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the six years ended June 30, 2006 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 7 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

February 29, 2008

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, 2007. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2007 FINANCIAL HIGHLIGHTS

- The County's governmental activities revenues increased approximately \$3,705,000, or 72%, from fiscal 2006 to fiscal 2007. Capital grants, contributions and restricted interest increased \$3,454,320 due to farm to market road projects completed and contributed to the County by the Iowa Department of Transportation.
- The County's governmental activities expenses increased approximately \$199,000, or 4%, in fiscal 2007 over fiscal 2006.
- The County's net assets increased approximately \$3,595,000, or 46%, from June 30, 2006 to June 30, 2007.

USING THIS ANNUAL REPORT

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

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

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

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

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

Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year.

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

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

The County has three kinds of funds:

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

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

2) Proprietary funds account for the County's Internal Service, Employee Health Insurance and Cafeteria Plan Funds. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions.

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of financial position. Ida County's net assets increased from \$7,896,530 to \$11,491,670. The analysis that follows focuses on the changes in the net assets of governmental activities.

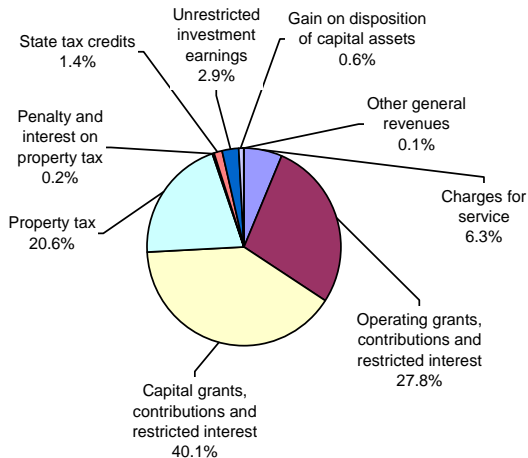
Net Assets of Governmental Activities (Expressed in Thousands)		
	Year ended June 30,	
	2007	2006
Current and other assets	\$ 6,687	6,378
Capital assets	7,611	4,182
Total assets	<u>14,298</u>	<u>10,560</u>
Long-term liabilities	552	546
Other liabilities	2,254	2,117
Total liabilities	<u>2,806</u>	<u>2,663</u>
Net assets:		
Invested in capital assets	7,611	4,182
Restricted	2,408	2,086
Unrestricted	1,473	1,629
Total net assets	<u>\$ 11,492</u>	<u>7,897</u>

Net assets of Ida County's governmental activities increased 46% (\$11,491,670 compared to \$7,896,530). The largest portion of the County's net assets is invested in capital assets (e.g., land, infrastructure, buildings and equipment). Restricted net assets represent resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements—decreased from approximately \$1.63 million at June 30, 2006 to approximately \$1.47 million at June 30, 2007, a decrease of 10%.

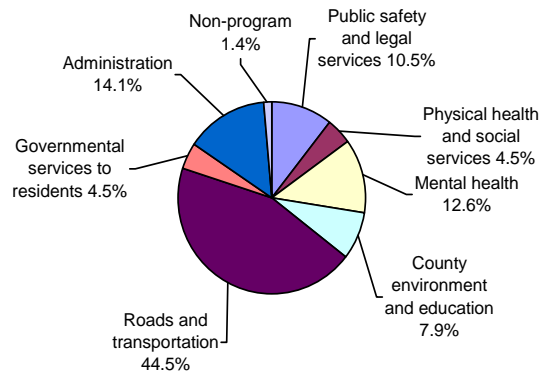
Changes in Net Assets of Governmental Activities
(Expressed in Thousands)

	Year ended June 30,	
	2007	2006
Revenues:		
Program revenues:		
Charges for service	\$ 557	533
Operating grants, contributions and restricted interest	2,461	2,242
Capital grants, contributions and restricted interest	3,548	93
General revenues:		
Property tax	1,819	1,806
Penalty and interest on property tax	14	17
State tax credits	124	123
Unrestricted investment earnings	255	188
Gain on disposition of capital assets	54	116
Other general revenues	9	18
Total revenues	8,841	5,136
Program expenses:		
Public safety and legal services	552	519
Physical health and social services	235	357
Mental health	659	646
County environment and education	414	451
Roads and transportation	2,334	2,174
Governmental services to residents	234	250
Administration	742	636
Non-program	76	14
Total expenses	5,246	5,047
Increase in net assets	3,595	89
Net assets beginning of year	7,897	7,808
Net assets end of year	\$ 11,492	7,897

Revenues by Source



Expenses by Program



The County increased property tax levy rates for 2007 by an average of .2% due, in part, to an increase in the levy rate for mental health services to \$.91146 per \$1,000 of taxable valuation from \$.6500 per \$1,000 of taxable valuation. The County did not have a general supplemental levy for fiscal year 2007. Taxable valuations increased approximately 1.2% for county wide levies and .64% for rural levies. Tax revenue increased approximately \$14,000 in 2007. Based on a 1% increase in the taxable valuation and a 6% increase in property tax rates, property tax revenue is budgeted to increase approximately \$108,000 next year (FY 2008).

INDIVIDUAL MAJOR FUND ANALYSIS

As Ida County completed the year, its governmental funds reported a combined fund balance of \$4,212,484, an increase of \$214,112 from last year's total of \$3,998,372. 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 \$156,000 due, in part, to a decrease in tax revenues of approximately \$70,000 because of the elimination of the supplemental levy for FY2007, and intergovernmental revenues of approximately \$178,000 related to Help America Vote Act (HAVA) funds received in fiscal year 2006. Miscellaneous revenues increased approximately \$90,000 due to reimbursement from the self-funding health insurance fund which the County closed during the fiscal year. Expenditures decreased approximately \$93,000 due to purchasing voting equipment in fiscal year 2006 and increased expenses in juvenile justice. The ending fund balance decreased approximately \$32,000 from the prior year to \$927,532.
- The County has continued to look for ways to effectively manage the cost of mental health services. For the year, expenditures totaled \$658,922, an increase of 2% over the prior year due to increases in provider rates and state cases assigned to counties. The revenues totaled approximately \$743,000, an increase of 36%, or \$196,000, from the previous year as the result of an increase in property tax of approximately \$82,000, receiving additional revenue for mental health growth dollars of approximately \$60,000 and an increase in state revenues of approximately \$55,000. The Mental Health Fund balance at year end increased approximately \$84,000 over the prior year to \$122,297.
- Rural Services Fund revenues increased approximately \$60,000 due an increase in landfill revenue. Expenditures increased approximately \$11,000. The ending fund balance declined approximately \$30,000 from the prior year to approximately \$451,000.
- Secondary Roads Fund revenues increased approximately \$136,000. Total expenditures decreased approximately \$236,000 from the prior year. Capital projects expenditures decreased \$194,000 to approximately \$3,500 in fiscal year 2007 due, in part, to completion of the bridge construction on D-15. The Secondary Roads Fund ending balance increased approximately \$217,000.

BUDGETARY HIGHLIGHTS

Over the course of the year, Ida County amended its budget one time on May 29, 2007, which resulted in a net increase in budgeted disbursements for the capital projects function and a corresponding decrease in the roads and transportation function of \$50,000.

The County's receipts were \$446,957 more than budgeted, an increase of 9.5%. The most significant variance resulted from the County receiving approximately \$188,000 from the self-funded employee health insurance fund which was closed during the fiscal year. The distribution was recorded as miscellaneous revenue. Use of money and property increased approximately \$177,000 due to the increase in interest on investments as a result of increased interest rates.

Total disbursements were \$745,087 less than the amended budget. Actual disbursements for the capital projects, county environment and education and administration functions were \$429,100, \$84,737 and \$67,035, respectively, less than budgeted. This was primarily due to budgeted capital projects not completed in FY07. These projects included a box culvert on D-15 and a pavement project west of Holstein, IA. In the county environment and education function, budgeted disbursements in the Landfill Department were not made due to cost prohibitive DNR landfill regulations resulting in the preparation of closing the landfill October 1, 2007. Anticipated budgeted items in administration not spent included unemployment, liability insurance and various general unexpended administrative disbursements in various departments.

The County did not exceed the amounts budgeted by function during fiscal year 2007.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2007, Ida County had approximately \$7.6 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This is a net increase (including additions and deletions) of approximately \$3.4 million, or 82%, from last year due to the County receiving grants through the farm-to-market program through the Iowa Department of Transportation for road projects during the fiscal year.

Capital Assets of Governmental Activities at Year End		
(Expressed in Thousands)		
	June 30,	
	2007	2006
Land	\$ 242	242
Construction in progress	3,576	30
Buildings and improvements	617	653
Equipment and vehicles	1,562	1,563
Infrastructure	1,614	1,694
Total	\$ 7,611	4,182
This year's major additions included (in thousands):		
Capital assets contributed by the Iowa Department of Transportation		\$ 3,546
Secondary roads equipment		287
County environment equipment		11
Administrative equipment		9
Total		\$ 3,853

The County had depreciation expense of \$424,589 in FY 2007 and total accumulated depreciation of \$3,875,384 at June 30, 2007. More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

Long-Term Debt

At June 30, 2007, Ida County had no general obligation long-term debt outstanding. Information about the County's other long-term liabilities is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

Ida County’s elected and appointed officials and citizens considered many factors when setting the fiscal year 2008 budget, tax rates and fees charged for various County activities. In an ongoing effort to maintain County services without raising tax levies, the Ida County Board of Supervisors is committed to limiting expenditure increases, using excess balances and reducing funding to non-mandated programs to provide essential services for the citizens of Ida County. These factors were considerations for the FY08 budget which certified taxes as follows: (Amount certified includes utility replacement and property tax dollars)

	2008 Dollars Certified	2007 Dollars Certified	Percentage Change
General basic levy	\$ 1,116,331	1,104,222	1.1%
Mental health levy	287,857	287,558	.1
Rural services basic levy	558,543	463,110	20.6
Total	<u>\$ 1,962,731</u>	<u>1,854,890</u>	<u>5.81%</u>

Continued state revenue cutbacks and health insurance increases for the past few years are driving increases in property tax. No new services were added in the FY08 budget. Levy rates (expressed in \$/\$1,000 of taxable valuation) to produce the above dollars for FY08 are as follows:

	2008	2007	Percentage Change
General basic levy	\$ 3.50000	3.50000	0.00%
Mental health levy	.90251	.91146	-0.98%
Rural services basic levy	2.50000	2.10000	19.05%
Total	<u>\$ 6.90251</u>	<u>\$ 6.51146</u>	<u>6.01%</u>

Budgeted disbursements in the FY 2008 operating budget are approximately \$6.8 million, which is a 21% increase over the FY 2007 final budget. Total taxable valuations increased approximately \$3.3 million. The mental health levy was decreased approximately 1% due to the FY 2007 ending fund balance. The rural services basic levy was increased 19%.

CONTACTING THE COUNTY’S FINANCIAL MANAGEMENT

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

Ida County

Basic Financial Statements

Ida County
Statement of Net Assets
June 30, 2007

	<u>Governmental Activities</u>
Assets	
Cash and pooled investments	\$ 3,321,554
Restricted cash and pooled investments	576,795
Receivables:	
Succeeding year property tax	1,937,000
Accounts	244,984
Accrued interest	44,450
Due from other governments	194,768
Inventories	271,625
Prepaid insurance	95,866
Capital assets, net of accumulated depreciation	<u>7,610,558</u>
Total assets	<u>14,297,600</u>
Liabilities	
Accounts payable	188,278
Salaries and benefits payable	29,388
Due to other governments	93,902
Deferred revenue:	
Succeeding year property tax	1,937,000
Other	5,405
Long-term liabilities:	
Portion due or payable within one year:	
Compensated absences	54,425
Estimated liability for closure and postclosure care	161,838
Portion due or payable after one year:	
Compensated absences	17,255
Estimated liability for closure and postclosure care	<u>318,439</u>
Total liabilities	<u>2,805,930</u>
Net Assets	
Invested in capital assets	7,610,558
Restricted for:	
Supplemental levy purposes	17,149
Mental health purposes	126,655
Secondary roads purposes	2,117,645
Other purposes	146,220
Unrestricted	<u>1,473,443</u>
Total net assets	<u>\$ 11,491,670</u>

See notes to financial statements.

Ida County

Statement of Activities

Year ended June 30, 2007

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
Functions/Programs:					
Governmental activities:					
Public safety and legal services	\$ 551,563	41,665	162	-	(509,736)
Physical health and social services	235,196	13,214	70,540	-	(151,442)
Mental health	658,924	-	443,563	-	(215,361)
County environment and education	413,879	312,090	3,763	-	(98,026)
Roads and transportation	2,334,510	19,875	1,810,711	3,546,053	3,042,129
Governmental services to residents	233,577	132,754	5,271	1,359	(94,193)
Administration	741,562	24,302	126,498	-	(590,762)
Non-program	76,431	13,137	-	-	(63,294)
Total	\$ 5,245,642	557,037	2,460,508	3,547,412	1,319,315
General Revenues:					
Property and other county tax levied for general purposes					1,819,250
Penalty and interest on property tax					13,988
State tax credits					123,840
Unrestricted investment earnings					255,111
Gain on disposition of capital assets					54,262
Miscellaneous					9,374
Total general revenues					2,275,825
Change in net assets					3,595,140
Net assets beginning of year					7,896,530
Net assets end of year					\$ 11,491,670

See notes to financial statements.

Ida County
Balance Sheet
Governmental Funds

June 30, 2007

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Assets				
Cash and pooled investments	\$ 901,944	253,227	429,467	1,701,488
Restricted cash and pooled investments	-	-	-	-
Receivables:				
Succeeding year property tax	1,102,000	284,000	551,000	-
Accounts	27,099	-	42,043	75,842
Accrued interest	35,412	-	-	-
Due from other governments	16,051	986	-	177,731
Inventories	-	-	-	271,625
Prepaid insurance	38,244	-	6,514	50,544
Total assets	\$ 2,120,750	538,213	1,029,024	2,277,230
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 42,117	43,093	17,536	85,394
Salaries and benefits payable	7,402	-	2,089	19,897
Due to other governments	6,601	84,465	2,682	154
Deferred revenue:				
Succeeding year property tax	1,102,000	284,000	551,000	-
Other	35,098	4,358	4,672	82,000
Total liabilities	1,193,218	415,916	577,979	187,445
Fund balances:				
Reserved for:				
Supplemental levy purposes	17,149	-	-	-
Medicaid contingencies	699	-	-	-
Closure and postclosure care	-	-	-	-
Sheriff's surcharge	3,674	-	-	-
Unreserved, reported in				
General fund	906,010	-	-	-
Special revenue funds	-	122,297	451,045	2,089,785
Total fund balances	927,532	122,297	451,045	2,089,785
Total liabilities and fund balances	\$ 2,120,750	538,213	1,029,024	2,277,230

See notes to financial statements.

Nonmajor	Total
35,428	3,321,554
576,795	576,795
-	1,937,000
100,000	244,984
9,038	44,450
-	194,768
-	271,625
564	95,866
<u>721,825</u>	<u>6,687,042</u>
-	188,140
-	29,388
-	93,902
-	1,937,000
100,000	226,128
<u>100,000</u>	<u>2,474,558</u>
-	17,149
-	699
585,791	585,791
-	3,674
-	906,010
36,034	2,699,161
<u>621,825</u>	<u>4,212,484</u>
<u>721,825</u>	<u>6,687,042</u>

Ida County

Ida County

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

June 30, 2007

Total governmental fund balances (page 19) \$ 4,212,484

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. The cost of assets is \$11,485,942 and the accumulated depreciation is \$3,875,384. 7,610,558

Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the funds. 220,723

The Internal Service Fund is used by management to account for employee contributions and cafeteria plan benefit payments for the employee flexible benefits plan. The assets and liabilities of the Internal Service Fund is included in governmental activities in the Statement of Net Assets. (138)

Long-term liabilities, including the estimated liability for closure and postclosure care and compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the funds. (551,957)

Net assets of governmental activities (page 16) \$ 11,491,670

See notes to financial statements.

Ida County

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

Year ended June 30, 2007

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Revenues:				
Property and other county tax	\$ 1,083,616	282,193	453,705	-
Interest and penalty on property tax	14,322	-	-	-
Intergovernmental	183,581	458,439	106,849	1,735,711
Licenses and permits	12,169	-	-	740
Charges for service	197,603	-	188,325	-
Use of money and property	206,359	-	250	-
Miscellaneous	111,823	2,707	10,041	106,992
Total revenues	<u>1,809,473</u>	<u>743,339</u>	<u>759,170</u>	<u>1,843,443</u>
Expenditures:				
Operating:				
Public safety and legal services	551,562	-	-	-
Physical health and social services	234,294	-	-	-
Mental health	-	658,922	-	-
County environment and education	156,857	-	205,067	-
Roads and transportation	-	-	-	2,239,202
Governmental services to residents	233,356	-	-	-
Administration	610,609	-	-	-
Capital projects	-	-	-	3,465
Total expenditures	<u>1,786,678</u>	<u>658,922</u>	<u>205,067</u>	<u>2,242,667</u>
Excess (deficiency) of revenues over (under) expenditures	<u>22,795</u>	<u>84,417</u>	<u>554,103</u>	<u>(399,224)</u>
Other financing sources (uses):				
Sale of capital assets	1,600	-	-	16,717
Operating transfers in	-	-	-	600,000
Operating transfers out	(56,859)	-	(583,968)	-
Total other financing sources (uses)	<u>(55,259)</u>	<u>-</u>	<u>(583,968)</u>	<u>616,717</u>
Net change in fund balances	(32,464)	84,417	(29,865)	217,493
Fund balances beginning of year	<u>959,996</u>	<u>37,880</u>	<u>480,910</u>	<u>1,872,292</u>
Fund balances end of year	<u>\$ 927,532</u>	<u>122,297</u>	<u>451,045</u>	<u>2,089,785</u>

See notes to financial statements.

Nonmajor	Total
-	1,819,514
-	14,322
6,259	2,490,839
-	12,909
1,646	387,574
28,564	235,173
13,476	245,039
49,945	5,205,370
-	551,562
370	234,664
-	658,922
14,719	376,643
-	2,239,202
-	233,356
101,152	711,761
-	3,465
116,241	5,009,575
(66,296)	195,795
-	18,317
40,827	640,827
-	(640,827)
40,827	18,317
(25,469)	214,112
647,294	3,998,372
621,825	4,212,484

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, 2007

Net change in fund balances - Total governmental funds (page 23) \$ 214,112

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

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

Expenditures for capital assets	\$ 270,992	
Capital assets contributed by the Iowa Department of Transportation	3,546,053	
Depreciation expense	(424,589)	3,392,456

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. 35,945

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

Property tax	(266)	
Other	204,359	204,093

Compensated absences 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. (6,037)

The Internal Service, Cafeteria Plan Fund is used by management to account for employee contributions and cafeteria plan benefit payments for the employee flexible benefits plan. During the year, the Internal Service, Employee Health Insurance Fund was closed and the remaining funds were returned to the operating funds. The change in net assets of the Internal Service Funds is reported with governmental activities. (245,429)

Change in net assets of governmental activities (page 17) \$ 3,595,140

See notes to financial statements.

Ida County
Statement of Net Assets
Proprietary Funds
June 30, 2007

	<u>Internal Service</u>
Assets	
None	\$ -
Liabilities	
Accounts payable	<u>138</u>
Net Assets	
Unrestricted	<u><u>\$ (138)</u></u>

See notes to financial statements.

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

Year ended June 30, 2007

	<u>Internal Service</u>
Operating revenues:	
Employee contributions	\$ 13,138
Operating expenses:	
Cafeteria plan benefits	<u>12,808</u>
Operating income	<u>330</u>
Non-operating revenues (expenses):	
Interest income	6,712
Reimbursements to operating funds	<u>(252,471)</u>
Total non-operating revenues (expenses)	<u>(245,759)</u>
Net loss	(245,429)
Net assets beginning of year	<u>245,291</u>
Net assets end of year	<u>\$ (138)</u>

See notes to financial statements.

Ida County
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2007

	Internal Service
Cash flows from operating activities:	
Cash received from employees	\$ 13,138
Cash paid for cafeteria plan benefits	(13,138)
Net cash provided by operating activities	-
Cash flows from non-capital financing activities:	
Cash paid for operating fund reimbursements	(252,471)
Cash flows from investing activities:	
Interest on investments	7,263
Net decrease in cash and cash equivalents	(245,208)
Cash and cash equivalents beginning of year	245,208
Cash and cash equivalents end of year	\$ -
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 330
Adjustment to reconcile operating income to net cash provided by operating activities:	
(Decrease) in accounts payable	(330)
Net cash provided by operating activities	\$ -

See notes to financial statements.

Ida County
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2007

Assets

Cash and pooled investments:	
County Treasurer	\$ 520,518
Other County officials	13,013
Receivables:	
Succeeding year property tax	6,111,000
Accounts	12,632
Accrued interest	661
Due from other governments	9,225
Total assets	<u>6,667,049</u>

Liabilities

Accounts payable	12,395
Salaries and benefits payable	11,198
Due to other governments	6,604,139
Trusts payable	4,486
Compensated absences	34,831
Total liabilities	<u>6,667,049</u>

Net assets \$ -

See notes to financial statements.

Ida County

Notes to Financial Statements

June 30, 2007

(1) Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

Ida County Public Safety and Communications Commission – Ida County is a member of the Ida County Public Safety and Communications Commission (the Commission) established pursuant to Chapter 28E of the Code of Iowa. The Commission plans for County-wide law enforcement and communications within the boundaries of Ida County, including all rural areas, and participating municipalities. The Commission also can contract with any and all public agencies which wish to enter into contracts with the Commission for the provision of law enforcement, communications and public safety services. The Commission furnishes law enforcement services, emergency communications and such other services as may be necessary to protect the rights and property of all citizens of any public agency contracting with the Commission. The Commission's Board is composed of three representatives selected by and from the Ida County Board of Supervisors and one representative selected by each participating municipality. The Commission is funded primarily by assessments made against each participating member. The County's participating share cannot be less than 45 percent of the annual budget. The County has an ongoing financial responsibility to the Commission for its continued existence. Membership in the Commission for the year ended

June 30, 2007 included five municipalities and the County. Ida County contributed \$388,980 and the municipalities contributed \$516,775 to support the Commission. Financial transactions of the Commission are included in the County's financial statements only to the extent of the County's fiduciary relationship with the Commission and, as such, are reported in an Agency Fund of the County.

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

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

B. Basis of Presentation

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

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

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

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

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital

requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

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

Additionally, the County reports the following funds:

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

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

C. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available.

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

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

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

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

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

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

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

D. Assets, Liabilities and Fund Equity

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

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

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

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2005 assessed property valuations; is for the tax accrual period July 1, 2006 through June 30, 2007 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2006.

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

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

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

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

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

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

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

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

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

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2007. The compensated absences liability attributable to the governmental activities will be paid primarily by the General, Mental Health, Rural Services and Secondary Roads Funds.

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

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

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

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2007, disbursements did not exceed the amounts budgeted by function.

(2) Cash and Pooled Investments

The County's deposits in banks at June 30, 2007 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

The County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$111,357 pursuant to Rule 2a-7 under the Investment Company Act of 1940. The investments in the Iowa Public Investment Trust are unrated for credit risk purposes.

(3) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2007 is as follows:

Transfer to	Transfer from	Amount
Special Revenue:		
Secondary Roads	General	\$ 55,707
	Special Revenue:	
	Rural Services	544,293
Landfill Closure/Postclosure	Rural Services	39,675
Ida County Foundation Trust	General	1,152
Total		<u>\$ 640,827</u>

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

(4) Capital Assets

Capital assets activity for the year ended June 30, 2007 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 241,692	-	-	241,692
Construction in progress, road network	30,213	3,546,053	-	3,576,266
Total capital assets not being depreciated	<u>271,905</u>	<u>3,546,053</u>	<u>-</u>	<u>3,817,958</u>
Capital assets being depreciated:				
Buildings	1,486,755	-	-	1,486,755
Equipment and vehicles	4,189,796	306,937	(170,951)	4,325,782
Infrastructure, road network	1,855,447	-	-	1,855,447
Total capital assets being depreciated	<u>7,531,998</u>	<u>306,937</u>	<u>(170,951)</u>	<u>7,667,984</u>
Less accumulated depreciation for:				
Buildings	833,849	36,465	-	870,314
Equipment and vehicles	2,626,981	307,915	(170,951)	2,763,945
Infrastructure, road network	160,916	80,209	-	241,125
Total accumulated depreciation	<u>3,621,746</u>	<u>424,589</u>	<u>(170,951)</u>	<u>3,875,384</u>
Total capital assets being depreciated, net	<u>3,910,252</u>	<u>(117,652)</u>	<u>-</u>	<u>3,792,600</u>
Governmental activities capital assets, net	<u>\$ 4,182,157</u>	<u>3,428,401</u>	<u>-</u>	<u>7,610,558</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
County environment and education	\$ 36,663
Roads and transportation	358,290
Administration	29,636
Total depreciation expense - governmental activities	<u>\$ 424,589</u>

(5) Due to Other Governments

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

Fund	Description	Amount
General	Services	\$ 6,601
Special Revenue:		
Mental Health	Services	84,465
Rural Services	Services	2,682
Secondary Roads	Services	154
		<u>87,301</u>
Total for governmental funds		<u>\$ 93,902</u>
Agency:		
County Offices	Collections	\$ 8,607
Agricultural Extension Education		96,465
County Assessor		157,598
Schools		4,206,513
Community Colleges		234,459
Corporations		1,401,547
Townships		145,301
Auto License and Use Tax		147,547
All other		206,102
Total for agency funds		<u>\$ 6,604,139</u>

(6) Changes in Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2007 is as follows:

	Compen- sated Absences	Estimated Liability for Closure and Postclosure Care	Total
Balance beginning of year	\$ 65,643	480,277	545,920
Increases	54,080	-	54,080
Decreases	48,043	-	48,043
Balance end of year	<u>\$ 71,680</u>	<u>480,277</u>	<u>551,957</u>
Due within one year	<u>\$ 54,425</u>	<u>161,838</u>	<u>216,263</u>

(7) Pension and Retirement Benefits

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

Most regular plan members are required to contribute 3.70% of their annual covered salary and the County is required to contribute 5.75% of covered salary. Certain employees in special risk occupations and the County contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2007, 2006 and 2005 were \$110,050, \$108,070 and \$102,999, respectively, equal to the required contributions for each year.

(8) Risk Management

Ida County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 556 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

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

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

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's contributions to the Pool for the year ended June 30, 2007 were \$176,700.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured in an amount not to exceed \$2,650,000 per claim and \$5,000,000 in aggregate per year. For members requiring specific coverage from \$3,000,000 to \$10,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$100,000 each occurrence, each location, with excess coverage reinsured on an individual-member basis.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective

individual member. The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2007, no liability has been recorded in the County's financial statements. As of June 30, 2007, settled claims have not exceeded the risk pool or reinsurance coverage since the pool's inception.

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

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

(9) Cafeteria Plan

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

(11) Landfill Closure and Postclosure Care

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

Governmental Accounting Standards Board Statement No. 18 requires landfill owners to estimate total landfill closure and postclosure care costs and recognize a portion of these costs each year based on the percentage of estimated total landfill capacity used that

period. Estimated total costs consist of four components: (1) the cost of equipment and facilities used in postclosure monitoring and care, (2) the cost of final cover (material and labor), (3) the cost of monitoring the landfill during the postclosure period and (4) the cost of any environmental cleanup required after closure. Estimated total cost is based on the cost to purchase those services and equipment currently and is required to be updated annually for changes due to inflation or deflation, technology, or applicable laws or regulations.

These costs for the Ida County Landfill have been estimated at \$177,328 for closure and \$322,950 for postclosure care, for a total of \$500,278 as of June 30, 2007, and the portion of the liability that has been recognized is \$480,277. These amounts are based on what it would cost to perform all closure and postclosure care during the year ended June 30, 2007. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The estimated remaining life of the landfill is 3 months and the capacity used at June 30, 2007 is 94 percent.

Chapter 455B.306(8)(b) of the Code of Iowa requires permit holders of municipal solid waste landfills to maintain separate closure and postclosure care accounts to accumulate resources for the payment of closure and postclosure care costs. The County has restricted \$576,795 in certificates of deposit at June 30, 2007 for such purposes. They are reported as restricted cash and pooled investments on the Statement of Net Assets.

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

(12) Solid Waste Tonnage Fees Retained

The County has established an account for restricting and using solid waste tonnage fees retained by the County in accordance with Chapter 455B.310 of the Code of Iowa.

At June 30, 2007, the County had no unspent amounts retained or restricted for the required purposes.

(13) Ida County Public Safety and Communications Commission

Ida County participates in the Ida County Public Safety and Communications Commission, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa. Financial transactions of this organization are included in the County's financial statements as part of the Other Agency Funds because of the County's fiduciary relationship with the organization. The following financial data is for the year ended June 30, 2007:

	Public Safety and Communications Commission					Total
	Operating	Confiscated Property	Sheriff's	Sheriff's	Sheriff's	
			K-9	Reserve Deputy	DARE	
Additions:						
Contributions from governmental units:						
Ida County	\$ 388,980	-	-	-	-	388,980
Ida Grove	246,957	-	-	-	-	246,957
Holstein	150,451	-	-	-	-	150,451
Arthur	22,300	-	-	-	-	22,300
Galva	29,222	-	-	-	-	29,222
Battle Creek	67,845	-	-	-	-	67,845
	<u>905,755</u>	-	-	-	-	<u>905,755</u>
Miscellaneous:						
Prisoner boarding fees	34,768	-	-	-	-	34,768
Miscellaneous	5,455	1,360	120	-	125	7,060
	<u>40,223</u>	<u>1,360</u>	<u>120</u>	-	<u>125</u>	<u>41,828</u>
Total additions	<u>945,978</u>	<u>1,360</u>	<u>120</u>	-	<u>125</u>	<u>947,583</u>
Deductions:						
Salaries and wages	468,368	-	-	-	-	468,368
Benefits	168,222	-	-	-	-	168,222
Iowa system rental	3,253	-	-	-	-	3,253
Postage and mailing	932	-	-	-	-	932
Office supplies	9,012	-	-	-	-	9,012
Mileage and subsistence	1,107	-	-	-	-	1,107
Education and training	17,238	-	-	-	-	17,238
Uniform allowance	10,191	-	-	-	-	10,191
Insurance	37,363	-	-	-	-	37,363
Equipment maintenance and repair	29,795	-	-	-	-	29,795
Motor vehicles and equipment	61,505	-	-	-	-	61,505
Motor vehicle supplies	40,985	-	-	-	-	40,985
Telephone and fax	8,972	-	-	-	-	8,972
Radio equipment repair and maintenance	2,622	-	-	-	-	2,622
Investigations	1,977	4,000	-	-	-	5,977
Jail food and provisions	13,674	-	-	-	-	13,674
Jail supplies	1,608	-	-	-	-	1,608
Medical supplies	1,185	-	-	-	-	1,185
Improvements	10,207	-	-	-	-	10,207
Miscellaneous	3,751	-	133	546	-	4,430
Total deductions	<u>891,967</u>	<u>4,000</u>	<u>133</u>	<u>546</u>	-	<u>896,646</u>
Net	54,011	(2,640)	(13)	(546)	125	50,937
Balance beginning of year	67,646	2,649	-	1,127	212	71,634
Balance end of year	<u>\$ 121,657</u>	<u>9</u>	<u>(13)</u>	<u>581</u>	<u>337</u>	<u>122,571</u>

(14) Public Health Services Agreement

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

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

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

(15) Development Agreements and Establishment of Urban Renewal Area

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

In November 2006, the County entered into a private development agreement with Maple River Energy, LLC for construction of a 5 million-gallon per year biodiesel and soybean processing plant. The County agreed to provide a 10 year abatement of taxes on Maple River Energy, LLC property taxes of 100% for ten years. The County agreed to rebate 75% of taxes paid by Maple River Energy, LLC, for an additional ten years which will begin in year 11.

In March 2007, the County entered into a private development agreement under the authorization of Chapter 403 of the Code of Iowa with Platinum Ethanol, LLC for the construction of a dry mill, corn-processing ethanol plant facility at an amount of not less than \$160,000,000. The County has adopted Ida County Urban Renewal Plan #1 which encompasses the development property. The County will provide a 10 year abatement of tax on Platinum Ethanol, LLC, property tax of 100% for ten years. The County also agreed to rebate 75% of the tax paid by Platinum Ethanol, LLC, for an additional ten years which will begin in year eleven. The County agreed to pay up to \$350,000 for expenses related to road improvements to support the project. 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 repay the County for road construction and other costs associated with the urban renewal project.

As of June 30, 2007 the County has incurred costs related to the road improvement project of \$73,312.

(16) Subsequent Event

The Ida County Solid Waste Management Commission closed all existing cells October 1, 2007 to comply with minimum liner standards established by the Environmental Protection Agency and adopted by the Iowa Department of Natural Resources. Through various methods, the County's solid waste is being hauled to the landfill in Cherokee.

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, 2007

	Actual	Budgeted Amounts		Final to Actual Variance
		Original	Final	
Receipts:				
Property and other county tax	\$ 1,833,837	1,839,932	1,843,932	(10,095)
Interest and penalty on property tax	-	4,000	-	-
Intergovernmental	2,437,884	2,405,723	2,405,723	32,161
Licenses and permits	13,204	12,150	12,150	1,054
Charges for service	404,375	361,775	361,775	42,600
Use of money and property	221,757	45,075	45,075	176,682
Miscellaneous	261,055	56,500	56,500	204,555
Total receipts	<u>5,172,112</u>	<u>4,725,155</u>	<u>4,725,155</u>	<u>446,957</u>
Disbursements:				
Public safety and legal services	548,908	588,703	588,703	39,795
Physical health and social services	191,591	236,127	236,127	44,536
Mental health	682,507	699,526	699,526	17,019
County environment and education	368,389	453,126	453,126	84,737
Roads and transportation	2,127,443	2,221,000	2,171,000	43,557
Governmental services to residents	232,598	251,906	251,906	19,308
Administration	687,342	754,377	754,377	67,035
Capital projects	20,900	400,000	450,000	429,100
Total disbursements	<u>4,859,678</u>	<u>5,604,765</u>	<u>5,604,765</u>	<u>745,087</u>
Excess (deficiency) of receipts over (under) disbursements	312,434	(879,610)	(879,610)	1,192,044
Other financing sources, net	-	100	100	(100)
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	312,434	(879,510)	(879,510)	1,191,944
Balance beginning of year	<u>3,585,915</u>	<u>2,825,370</u>	<u>2,825,370</u>	<u>760,545</u>
Balance end of year	<u>\$ 3,898,349</u>	<u>1,945,860</u>	<u>1,945,860</u>	<u>1,952,489</u>

See accompanying independent auditor's report.

Ida County
 Budgetary Comparison Schedule - Budget to GAAP Reconciliation
 Required Supplementary Information
 Year ended June 30, 2007

	Governmental Funds		
	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis
Revenues	\$ 5,172,112	33,258	5,205,370
Expenditures	4,859,678	149,897	5,009,575
Net	312,434	(116,639)	195,795
Other financing sources, net	-	18,317	18,317
Beginning fund balances	3,585,915	412,457	3,998,372
Ending fund balances	\$ 3,898,349	314,135	4,212,484

See accompanying independent auditor's report.

Ida County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2007

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

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

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

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

During the year ended June 30, 2007, disbursements did not exceed the amounts budgeted by function.

Other Supplementary Information

Ida County
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2007

	County Recorder's Records Management	County Government Assistance	Resource Enhancement and Protection	Special Landfill Closure/ Postclosure
Assets				
Cash and pooled investments	\$ 8,376	17,278	1,057	-
Restricted cash and pooled investments	-	-	-	576,795
Receivables:				
Accounts	-	100,000	-	-
Accrued interest	25	-	17	8,996
Prepaid insurance	-	-	564	-
Total assets	\$ 8,401	117,278	1,638	585,791
Liabilities and Fund Equity				
Liabilities:				
Deferred revenue	\$ -	100,000	-	-
Fund equity:				
Fund balances:				
Reserved for closure and postclosure care	-	-	-	585,791
Unreserved	8,401	17,278	1,638	-
Total fund equity	8,401	17,278	1,638	585,791
Total liabilities and fund equity	\$ 8,401	117,278	1,638	585,791

See accompanying independent auditor's report.

Revenue			
Recorders Electronic Transaction Fee	Public Health Services Enhancement		Total
59	8,658		35,428
-	-		576,795
-	-		100,000
-	-		9,038
-	-		564
59	8,658		721,825
-	-		100,000
-	-		585,791
59	8,658		36,034
59	8,658		621,825
59	8,658		721,825

Ida County

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

Year ended June 30, 2007

	County Recorder's Records Management	County Government Assistance	Resource Enhancement and Protection	Special Confiscated Funds - County Attorney
Revenues:				
Intergovernmental	\$ -	-	6,259	-
Charges for service	1,646	-	-	-
Use of money and property	96	-	104	-
Miscellaneous	-	13,476	-	-
Total revenues	1,742	13,476	6,363	-
Expenditures:				
Operating:				
Physical health and social services	-	-	-	370
County environment and education	-	-	14,719	-
Administration	-	100,000	-	-
Total expenditures	-	100,000	14,719	370
Excess (deficiency) of revenues over (under) expenditures	1,742	(86,524)	(8,356)	(370)
Other financing sources:				
Operating transfers in	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures	1,742	(86,524)	(8,356)	(370)
Fund balances beginning of year	6,659	103,802	9,994	370
Fund balances end of year	\$ 8,401	17,278	1,638	-

See accompanying independent auditor's report.

Revenue					
Landfill Closure/ Postclosure	Recorders Electronic Transaction Fee	Ida County Foundation Trust	Public Health Services Enhancement		Total
-	-	-	-	-	6,259
-	-	-	-	-	1,646
28,364	-	-	-	-	28,564
-	-	-	-	-	13,476
28,364	-	-	-	-	49,945
-	-	-	-	-	370
-	-	-	-	-	14,719
-	-	1,152	-	-	101,152
-	-	1,152	-	-	116,241
28,364	-	(1,152)	-	-	(66,296)
39,675	-	1,152	-	-	40,827
68,039	-	-	-	-	(25,469)
517,752	59	-	8,658	-	647,294
585,791	59	-	8,658	-	621,825

Schedule 3

Ida County

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

Year ended June 30, 2007

	Employee Health Insurance	Cafeteria Plan	Total
Operating revenues:			
Charges for service:			
Employee contributions	\$ -	13,138	13,138
Operating expenses:			
Cafeteria plan benefits	-	12,808	12,808
Operating income	-	330	330
Non-operating revenues (expenses):			
Interest on investments	6,711	-	6,711
Reimbursement to operating funds	(252,470)	-	(252,470)
Total non-operating revenues (expenses)	(245,759)	-	(245,759)
Net income (loss)	(245,759)	330	(245,429)
Net assets beginning of the year	245,759	(468)	245,291
Net assets (deficit) end of year	\$ -	(138)	(138)

See accompanying independent auditor's report.

Ida County
Combining Schedule of Cash Flows
Internal Service Funds

Year ended June 30, 2007

	Employee Health Insurance	Cafeteria Plan	Total
Cash flows from operating activities:			
Cash received from employees	\$ -	13,138	13,138
Cash paid for cafeteria plan benefits	-	(13,138)	(13,138)
Net cash provided by operating activities	-	-	-
Cash flows from non-capital financing activities:			
Cash paid for operating fund reimbursements	(252,471)	-	(252,471)
Cash flows from investing activities:			
Interest on investments	7,263	-	7,263
Net decrease in cash and cash equivalents	(245,208)	-	(245,208)
Cash and cash equivalents at beginning of year	245,208	-	245,208
Cash and cash equivalents at end of year	\$ -	-	-
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ -	330	330
Adjustment to reconcile operating income to net cash provided by operating activities:			
(Decrease) in accounts payable	-	(330)	(330)
Net cash provided by operating activities	\$ -	-	-

See accompanying independent auditor's report.

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

June 30, 2007

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash and pooled investments:				
County Treasurer	\$ -	1,465	56,037	63,513
Other County officials	13,013	-	-	-
Receivables:				
Succeeding year property tax	-	95,000	107,000	4,143,000
Accounts	80	-	-	-
Accrued interest	-	-	-	-
Due from other governments	-	-	-	-
Total assets	\$ 13,093	96,465	163,037	4,206,513
Liabilities				
Accounts payable	\$ -	-	533	-
Salaries and benefits payable	-	-	-	-
Due to other governments	8,607	96,465	157,598	4,206,513
Trusts payable	4,486	-	-	-
Compensated absences	-	-	4,906	-
Total liabilities	\$ 13,093	96,465	163,037	4,206,513

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Other	Total
3,459	10,547	2,301	147,547	235,649	520,518
-	-	-	-	-	13,013
231,000	1,391,000	143,000	-	1,000	6,111,000
-	-	-	-	12,552	12,632
-	-	-	-	661	661
-	-	-	-	9,225	9,225
234,459	1,401,547	145,301	147,547	259,087	6,667,049
-	-	-	-	11,862	12,395
-	-	-	-	11,198	11,198
234,459	1,401,547	145,301	147,547	206,102	6,604,139
-	-	-	-	-	4,486
-	-	-	-	29,925	34,831
234,459	1,401,547	145,301	147,547	259,087	6,667,049

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

Year ended June 30, 2007

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets and Liabilities				
Balances beginning of year	\$ 9,199	93,508	163,490	4,032,721
Additions:				
Property and other county tax	-	94,894	106,927	4,137,261
E911 surcharge	-	-	-	-
State tax credits	-	6,263	6,879	270,528
Drivers license fees	-	-	-	-
Office fees and collections	208,990	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Trusts	97,031	-	-	-
Miscellaneous	-	2	725	65
Total additions	306,021	101,159	114,531	4,407,854
Deductions:				
Agency remittances:				
To other funds	116,727	-	-	-
To other governments	89,075	98,202	114,984	4,234,062
Trusts paid out	96,325	-	-	-
Total deductions	302,127	98,202	114,984	4,234,062
Balances end of year	\$ 13,093	96,465	163,037	4,206,513

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Other	Total
221,709	1,280,051	126,308	133,398	166,569	6,226,953
230,214	1,388,345	142,752	-	8,653	6,109,046
-	-	-	-	93,186	93,186
14,790	89,821	8,102	-	84	396,467
-	-	-	12,516	-	12,516
-	-	-	-	-	208,990
-	-	-	1,908,723	-	1,908,723
-	-	-	-	-	97,031
4	67	-	-	1,176,501	1,177,364
245,008	1,478,233	150,854	1,921,239	1,278,424	10,003,323
-	-	-	73,228	-	189,955
232,258	1,356,737	131,861	1,833,862	1,185,906	9,276,947
-	-	-	-	-	96,325
232,258	1,356,737	131,861	1,907,090	1,185,906	9,563,227
234,459	1,401,547	145,301	147,547	259,087	6,667,049

Ida County

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

For the Last Seven Years

	Modified Accrual			
	2007	2006	2005	2004
Revenues:				
Property and other county tax	\$ 1,819,514	1,805,477	1,794,080	1,781,461
Interest and penalty on property tax	14,322	16,904	16,512	15,886
Intergovernmental	2,490,839	2,498,943	2,556,140	2,401,989
Licenses and permits	12,909	13,883	9,907	8,545
Charges for service	387,574	424,370	436,497	413,286
Use of money and property	235,173	190,666	85,074	46,471
Fines, forfeitures and defaults	-	-	-	-
Miscellaneous	245,039	18,408	36,389	2,491
Total	\$ 5,205,370	4,968,651	4,934,599	4,670,129
Expenditures:				
Operating:				
Public safety and legal services	\$ 551,562	519,155	480,795	478,252
Physical health and social services	234,664	360,158	318,038	403,786
Mental health	658,922	646,308	610,672	585,812
County environment and education	376,643	364,521	360,779	428,899
Roads and transportation	2,239,202	2,281,399	1,628,623	1,760,485
Governmental services to residents	233,356	250,304	268,221	226,212
Administration	711,761	607,036	612,838	569,878
Capital projects	3,465	197,100	53,982	153,477
Total	\$ 5,009,575	5,225,981	4,333,948	4,606,801

See accompanying independent auditor's report.

Basis		
2003	2002	2001
1,753,654	1,711,400	1,764,020
13,930	14,823	17,467
2,277,734	2,457,162	2,381,672
8,877	6,665	7,583
336,877	357,731	306,442
77,434	116,107	245,255
-	224	814
37,749	29,538	12,174
<u>4,506,255</u>	<u>4,693,650</u>	<u>4,735,427</u>
462,695	446,205	391,722
414,539	415,643	399,138
600,863	590,865	596,809
352,426	333,195	339,395
2,129,355	1,867,319	1,727,312
218,386	197,742	177,693
521,064	498,273	486,639
447,737	71,441	282,783
<u>5,147,065</u>	<u>4,420,683</u>	<u>4,401,491</u>

Ida County

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

Ida County



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

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Des Moines, Iowa 50319-0004

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

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

To the Officials of Ida County:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Ida County, Iowa, as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements listed in the table of contents, and have issued our report thereon dated February 29, 2008. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies, including deficiencies we consider to be material weaknesses.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Ida County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of Ida County's financial statements that is more than inconsequential will not be prevented or detected by Ida County's internal control. We consider the deficiencies in internal control described in the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Ida County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we believe items (A), (D) and (E) are material weaknesses.

Compliance and Other Matters

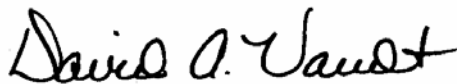
As part of obtaining reasonable assurance about whether Ida County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect 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.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2007 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

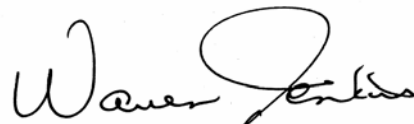
Ida County's responses to findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the County's responses, we did not audit Ida County's responses and, accordingly, we express no opinion on them.

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

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



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

February 29, 2008

Ida County

Schedule of Findings

Year ended June 30, 2007

Findings Related to the Financial Statements:

SIGNIFICANT DEFICIENCIES:

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

	<u>Applicable Offices</u>
(1) A list of money and checks received is not prepared and compared to cash receipt records.	Treasurer, Sheriff and 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 investments are not reviewed by an independent person.	Treasurer
(4) Preparing bank reconciliations and handling and recording cash functions are not segregated. Bank reconciliations are not reviewed by an independent person for propriety. The change fund is shared among employees and is not verified by surprise counts.	Treasurer, Recorder and Ag Extension

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

Responses –

Sheriff – With a limited number of staff, segregation of duties is difficult as you stated, but we will continue to make efforts to improve this situation in the future.

Recorder – We will attempt to comply with the recommendations.

Ida County

Schedule of Findings

Year ended June 30, 2007

Treasurer – (1) We are recording payments received in the mail and verifying them back to the end of day balance. (2), (3), (4) In such a small office it is difficult to have much segregation of duties but we do rotate balancing both in motor vehicle and tax departments. The Board of Supervisors receives copies of the CD list each month to review. I will now ask someone outside the office to review the bank reconciliations. We would welcome surprise counts by the Board.

Ag Extension – (1) We have corrected this already. As a matter of practice the office assistant will prepare these for the County Extension Education Director (CEED) to review and will be presented to Council Chairman to present to the full council monthly, or sooner upon request. (2) Responsibilities for collection, deposit preparation and reconciliation functions are being segregated from those for recording and accounting for cash receipts as frequently as is possible with a limited number of staff. Any staff member may collect and receipt in cash as it arrives. The office assistant prepares a deposit. Other staff or a council member with signature rights on our accounts makes the actual deposit. Reconciliations are conducted on the bank statement and with our electronic accounting program. These are usually done initially by the office assistant and duplicated by the council treasurer and CEED. (4) Cash functions are segregated as much as is possible with limited staff. In addition, the change fund is reported to the council each month at council meetings with appropriate documentation of transactions and balance on hand.

Conclusion – Responses accepted.

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

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

Recommendation – An independent review should be completed to ensure all receipts have been accounted for and deposited. In addition, to safeguard cash and increase funds available for investment, receipts should be recorded and deposited timely.

Response – Ida County Landfill closed October 1, 2007. We have contracted Ida County Sanitation to collect the rural garbage and recyclables once a week at the landfill. Due to the low volume, they are currently making deposits monthly which are checked by the Treasurer's Office.

Conclusion – Response accepted

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

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

Ida County

Schedule of Findings

Year ended June 30, 2007

Response – We are mindful of this and try not to let it happen. We will continue to work on this situation.

Conclusion – Response accepted.

- (D) Board of Health Grants – Certain grants from the State to the Ida County Board of Health were not originally included in the County’s financial statements. For report purposes, the grant activity has been included in the General Fund.

Recommendation – Ida County Board of Health grants received from the State should be received by the County Treasurer and disbursed to Horn Memorial Hospital by County warrant.

Response – The Ida County Board of Health will deposit grants received from the State to the County Treasurer and disburse the funds by warrant to Horn Memorial Hospital

Conclusion – Response accepted.

- (E) Financial Reporting – Various payables and receivables were not properly classified. Adjustments were required to be made by the County to properly report the amounts in the County’s financial statements.

Recommendation – The County should implement procedures to ensure payables and receivables are properly classified.

Response – The County Auditor’s Office will review payables and receivables and classify them properly.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Ida County

Schedule of Findings

Year ended June 30, 2007

Other Findings Related to Required Statutory Reporting:

- (1) Certified Budget – Disbursements during the year ended June 30, 2007 did not exceed the amounts budgeted by function.
- (2) Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- (3) Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- (4) Business Transactions – No business transactions between the County and County officials or employees were noted.
- (5) Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount 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) Solid Waste Fees Retainage – During the year ended June 30, 2007, the County retained the solid waste fees in accordance with Chapter 455B.310 of the Code of Iowa.

Ida County

Schedule of Findings

Year ended June 30, 2007

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

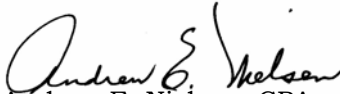
	Closure	Postclosure Care
Total estimated costs for closure and postclosure care	\$ 177,328	322,950
Less: Balance of funds held in the local dedicated fund at June 30, 2006	137,653	380,099
	39,675	57,149
Divided by the number of years remaining in the pay-in period	÷ 1	1
Required payment into the local dedicated fund for the year ended June 30, 2007	39,675	(57,149)
Balance of funds held in the local dedicated fund at June 30, 2006	137,653	380,099
Required balance of funds to be held in the local dedicated fund at June 30, 2007	\$ 177,328	322,950
Amount County has reserved for closure and postclosure care at June 30, 2007	\$ 185,091	400,700

Ida County

Staff

This audit was performed by:

Michelle B. Meyer, CPA, Manager
Billie Jo Heth, Senior Auditor
James L. Blekfeld, CPA, Senior Auditor
Donald J. Lewis, CPA, Staff Auditor
Keith C. Kistenmacher, Assistant Auditor


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Deputy Auditor of State