



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE

May 5, 2009

Contact: Andy Nielsen
515/281-5834

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

The County had local tax revenue of \$9,157,841 for the year ended June 30, 2008, which included \$484,091 in tax credits from the state. The County forwarded \$7,103,172 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$2,054,669 of the local tax revenue to finance County operations, a 5.7 percent increase over the prior year. Other revenues included charges for service of \$443,482, operating grants, contributions and restricted interest of \$2,151,125, capital grants, contributions and restricted interest of \$16,494, unrestricted investment earnings of \$175,596, Platinum Ethanol, LLC development agreement of \$444,909 and other general revenues of \$118,566.

Expenses for County operations totaled \$5,612,865, a 7.0 percent increase over the prior year. Expenses included \$2,783,799 for roads and transportation, \$722,629 for mental health and \$648,254 for administration. The increase in expenses is due primarily to an increase in costs for secondary roads.

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, 2008

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Ida County

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
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

Ida County



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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, 2008, 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.

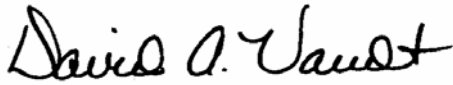
We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain 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, 2008, 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 April 3, 2009 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 seven years ended June 30, 2007 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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

April 3, 2009

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, 2008. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2008 FINANCIAL HIGHLIGHTS

- The County's governmental activities revenues decreased approximately \$3,437,000, or 39%, from fiscal 2007 to fiscal 2008. Capital grants, contributions and restricted interest decreased approximately \$3,531,000 from fiscal 2007 due to farm to market road projects completed and contributed to the County by the Iowa Department of Transportation in the prior year.
- The County's governmental activities expenses increased approximately \$366,000, or 7%, in fiscal 2008 over fiscal 2007.
- The County's net assets decreased approximately \$208,000, or 1.8%, from June 30, 2007 to June 30, 2008.

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 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) The proprietary fund accounts for the County's Internal Service, Cafeteria Plan Fund. 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 decreased from \$11,491,670 to \$11,283,646. The analysis that follows focuses on the changes in the net assets of governmental activities.

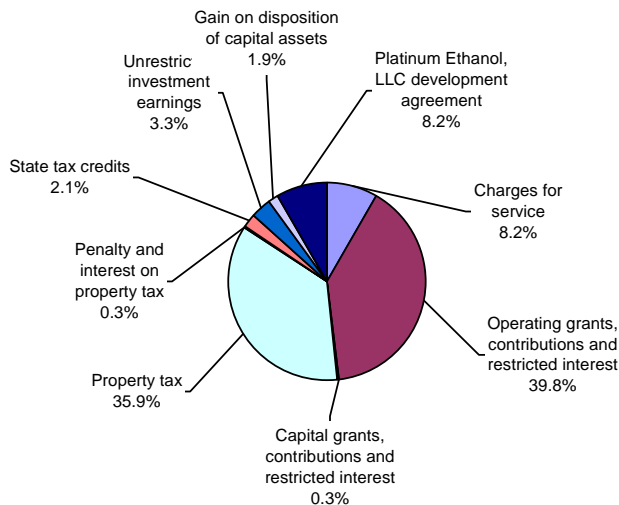
Net Assets of Governmental Activities (Expressed in Thousands)		
	Year ended June 30,	
	2008	2007
Current and other assets	\$ 6,271	6,687
Capital assets	8,613	7,611
Total assets	<u>14,884</u>	<u>14,298</u>
Long-term liabilities	589	552
Other liabilities	3,011	2,254
Total liabilities	<u>3,600</u>	<u>2,806</u>
Net assets:		
Invested in capital assets	8,613	7,611
Restricted	966	2,408
Unrestricted	<u>1,705</u>	<u>1,473</u>
Total net assets	<u>\$ 11,284</u>	<u>11,492</u>

Net assets of Ida County's governmental activities decreased 1.8% (\$11,283,646 compared to \$11,491,670). 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—increased from approximately \$1.47 million at June 30, 2007 to approximately \$1.7 million at June 30, 2008, an increase of 15.8%.

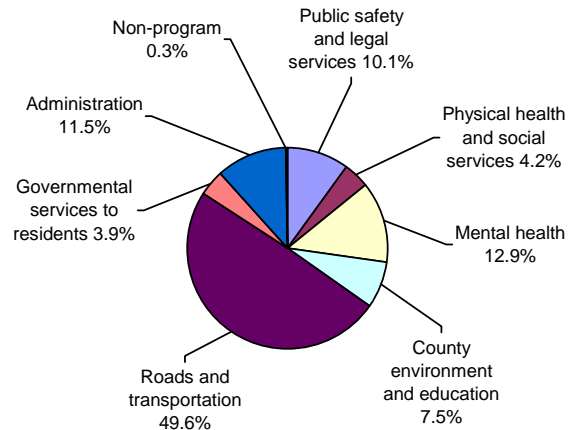
Changes in Net Assets of Governmental Activities
(Expressed in Thousands)

	Year ended June 30,	
	2008	2007
Revenues:		
Program revenues:		
Charges for service	\$ 443	557
Operating grants, contributions and restricted interest	2,151	2,461
Capital grants, contributions and restricted interest	17	3,548
General revenues:		
Property tax	1,938	1,819
Penalty and interest on property tax	15	14
State tax credits	116	124
Unrestricted investment earnings	176	255
Gain on disposition of capital assets	103	54
Platinum Ethanol, LLC development agreement	445	-
Other general revenues	-	9
Total revenues	5,404	8,841
Program expenses:		
Public safety and legal services	568	552
Physical health and social services	233	235
Mental health	723	659
County environment and education	419	414
Roads and transportation	2,784	2,334
Governmental services to residents	220	234
Administration	648	742
Non-program	17	76
Total expenses	5,612	5,246
Increase (decrease) in net assets	(208)	3,595
Net assets beginning of year	11,492	7,897
Net assets end of year	\$ 11,284	11,492

Revenues by Source



Expenses by Program



The County increased property tax levy rates for 2008 by an average of 6% due, in part, to an increase in the levy rate for rural services to \$2.5000 per \$1,000 of taxable valuation from \$2.1000 per \$1,000 of taxable valuation. The County did not have a general supplemental levy for fiscal year 2008. Taxable valuations increased approximately 1% for county wide levies and 1.22% for rural levies. Tax revenue increased approximately \$119,000 in 2008. Based on a 1% increase in the taxable valuation and an 8.6% decrease in property tax rates, property tax revenue is budgeted to decrease approximately \$38,000 next year (FY 2009).

INDIVIDUAL MAJOR FUND ANALYSIS

As Ida County completed the year, its governmental funds reported a combined fund balance of \$2,816,995, a decrease of \$1,395,489 from last year's total of \$4,212,484. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues decreased \$51,250, due primarily to a decrease in interest revenue of \$58,344 because of lower interest rates on investments held by the County. Expenditures increased \$50,074. The ending fund balance decreased \$135,710 from the prior year to \$791,822.
- The County has continued to look for ways to effectively manage the cost of mental health services. For the year, expenditures totaled \$722,629, an increase of 9.7% over the prior year due to increases in provider rates and state cases assigned to counties. The revenues totaled \$681,885, a decrease of 8.3%, or \$61,454, from the previous year. The Mental Health Fund balance at year end decreased \$40,744 from the prior year to \$81,553.
- Rural Services Fund revenues decreased \$50,550 due to a decrease in landfill revenue. Expenditures decreased \$44,304. The ending fund balance increased \$50,782 over the prior year to \$501,827.
- Secondary Roads Fund revenues increased \$4,804. Total expenditures increased \$1,527,337 over the prior year. Capital projects expenditures increased \$1,171,538 to \$1,175,003 in fiscal year 2008 due, in part, to completion of several local road projects. The Secondary Roads Fund ending balance decreased \$1,310,780.

BUDGETARY HIGHLIGHTS

Over the course of the year, Ida County amended its budget twice. The first amendment was on February 26, 2008, which resulted in an increase in budgeted disbursements for the administration function of \$65,000 for courthouse repairs. The second amendment was on May 27, 2008, which resulted in an increase in budgeted disbursements of \$295,622 for several functions as a result of additional grant dollars received for public health, conservation and planned road maintenance.

The County's receipts were \$24,178 more than budgeted.

Total disbursements were \$1,254,548 less than the amended budget. Actual disbursements for the capital projects, county environment and education and physical health and social services functions were \$453,817, \$483,962 and \$98,926, respectively, less than budgeted. This was primarily due to budgeted capital projects not completed in FY08. 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 closing of the landfill on October 1, 2007.

The County did not exceed the amounts budgeted by function during fiscal year 2008.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2008, Ida County had approximately \$8.6 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 \$1 million, or 13.2%, over last year.

Capital Assets of Governmental Activities at Year End (Expressed in Thousands)		
	June 30,	
	2008	2007
Land	\$ 242	242
Construction in progress	720	3,576
Buildings and improvements	580	617
Equipment and vehicles	1,684	1,562
Infrastructure	5,387	1,614
Total	\$ 8,613	7,611

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

Capital assets contributed by the Iowa Department of Transportation	\$ 16
Secondary roads equipment	407
County environment equipment	23
Local road projects	1,129
Total	\$ 1,575

The County had depreciation expense of \$572,621 in fiscal 2008 and total accumulated depreciation of \$4,127,385 at June 30, 2008. More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

Long-Term Debt

At June 30, 2008, 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 2009 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 FY09 budget which certified taxes as follows: (Amount certified includes utility replacement and property tax dollars)

	2009 Dollars Certified	2008 Dollars Certified	Percentage Change
General basic levy	\$ 1,145,824	1,116,331	2.64%
Mental health levy	288,501	287,857	.22%
Rural services basic levy	575,111	558,543	2.97%
Total	\$ 2,009,436	1,962,731	2.38%

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 FY09 budget. Levy rates (expressed in \$/\$1,000 of taxable valuation) to produce the above dollars for FY09 are as follows:

	2009	2008	Percentage Change
General basic levy	\$ 3.25000	3.50000	-7.14%
Mental health levy	0.81830	.90251	-9.33%
Rural services basic levy	2.24000	2.50000	-10.40%
Total	\$ 6.30830	6.90251	-8.61%

Budgeted disbursements in the FY 2009 operating budget are approximately \$6.7 million, which is a 6.3% decrease from the FY 2008 final budget. Total taxable valuations increased approximately \$34 million. The mental health levy was lowered 9.33% due to the FY 2008 ending fund balance. The rural services basic levy decreased 10.4%.

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

Exhibit A

Ida County
Statement of Net Assets
June 30, 2008

	<u>Governmental Activities</u>
Assets	
Cash and pooled investments	\$ 2,532,626
Restricted cash and pooled investments	607,349
Receivables:	
Succeeding year property tax	1,982,000
Accounts	456,050
Accrued interest	17,559
Due from other governments	177,842
Inventories	393,860
Prepaid insurance	104,067
Capital assets (net of accumulated depreciation)	<u>8,612,653</u>
Total assets	<u>14,884,006</u>
Liabilities	
Accounts payable	844,994
Salaries and benefits payable	31,463
Due to other governments	152,954
Deferred revenue:	
Succeeding year property tax	1,982,000
Long-term liabilities:	
Portion due or payable within one year:	
Compensated absences	52,541
Estimated liability for closure and postclosure care	181,938
Portion due or payable after one year:	
Compensated absences	23,123
Estimated liability for closure and postclosure care	<u>331,347</u>
Total liabilities	<u>3,600,360</u>
Net Assets	
Invested in capital assets	8,612,653
Restricted for:	
Supplemental levy purposes	17,149
Mental health purposes	81,553
Secondary roads purposes	718,219
Other purposes	149,503
Unrestricted	<u>1,704,569</u>
Total net assets	<u>\$ 11,283,646</u>

See notes to financial statements.

Ida County
Statement of Activities
Year ended June 30, 2008

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
Functions/Programs:					
Governmental activities:					
Public safety and legal services	\$ 568,540	39,772	13,579	-	(515,189)
Physical health and social services	233,177	14,027	136,080	-	(83,070)
Mental health	722,629	12,133	363,914	-	(346,582)
County environment and education	418,776	121,863	62,348	-	(234,565)
Roads and transportation	2,783,799	63,601	1,575,054	16,494	(1,128,650)
Governmental services to residents	220,161	144,275	150	-	(75,736)
Administration	648,254	32,106	-	-	(616,148)
Non-program	17,529	15,705	-	-	(1,824)
Total	\$ 5,612,865	443,482	2,151,125	16,494	(3,001,764)
General Revenues:					
Property and other county tax levied for general purposes					1,938,425
Penalty and interest on property tax					15,209
State tax credits					116,244
Unrestricted investment earnings					175,596
Gain on disposition of capital assets					103,357
Platinum Ethanol, LLC development agreement					444,909
Total general revenues					2,793,740
Change in net assets					(208,024)
Net assets beginning of year					11,491,670
Net assets end of year					\$ 11,283,646

See notes to financial statements.

Ida County
Balance Sheet
Governmental Funds

June 30, 2008

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Assets				
Cash and pooled investments	\$ 740,290	240,765	501,802	1,004,892
Restricted cash and pooled investments	-	-	-	-
Receivables:				
Succeeding year property tax	1,131,000	283,000	568,000	-
Accounts	3,664	-	7,250	445,136
Accrued interest	11,499	-	-	-
Due from other governments	35,961	-	-	137,707
Inventories	-	-	-	393,860
Prepaid insurance	40,822	-	3,018	59,593
Total assets	\$ 1,963,236	523,765	1,080,070	2,041,188
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 13,335	28,648	6,464	794,526
Salaries and benefits payable	8,228	-	240	22,748
Due to other governments	18,851	130,564	3,539	-
Deferred revenue:				
Succeeding year property tax	1,131,000	283,000	568,000	-
Other	-	-	-	444,909
Total liabilities	1,171,414	442,212	578,243	1,262,183
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	770,300	-	-	-
Special revenue funds	-	81,553	501,827	779,005
Total fund balances	791,822	81,553	501,827	779,005
Total liabilities and fund balances	\$ 1,963,236	523,765	1,080,070	2,041,188

See notes to financial statements.

Nonmajor	Total
44,877	2,532,626
607,349	607,349
-	1,982,000
-	456,050
6,060	17,559
4,174	177,842
-	393,860
634	104,067
<u>663,094</u>	<u>6,271,353</u>
59	843,032
247	31,463
-	152,954
-	1,982,000
-	444,909
<u>306</u>	<u>3,454,358</u>
-	17,149
-	699
613,388	613,388
-	3,674
-	770,300
49,400	1,411,785
<u>662,788</u>	<u>2,816,995</u>
<u>663,094</u>	<u>6,271,353</u>

Ida County

Ida County

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

June 30, 2008

Total governmental fund balances (page 19) \$ 2,816,995

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 governmental funds. The cost of assets is \$12,740,038 and the accumulated depreciation is \$4,127,385. 8,612,653

Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the governmental funds. 444,909

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 are included in governmental activities in the Statement of Net Assets. (1,962)

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 governmental funds. (588,949)

Net assets of governmental activities (page 16) \$ 11,283,646

See notes to financial statements.

Ida County

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

Year ended June 30, 2008

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Revenues:				
Property and other county tax	\$ 1,102,689	284,339	551,397	
Interest and penalty on property tax	15,209	-	-	-
Intergovernmental	239,703	388,973	70,292	1,780,469
Licenses and permits	13,869	-	-	595
Charges for service	209,169	-	85,017	-
Use of money and property	148,015	-	-	-
Miscellaneous	29,569	8,573	1,914	57,575
Total revenues	<u>1,758,223</u>	<u>681,885</u>	<u>708,620</u>	<u>1,838,639</u>
Expenditures:				
Operating:				
Public safety and legal services	568,539	-	-	-
Physical health and social services	233,244	-	-	-
Mental health	-	722,629	-	-
County environment and education	198,229	-	160,763	-
Roads and transportation	-	-	-	2,595,001
Governmental services to residents	217,704	-	-	-
Administration	619,036	-	-	-
Capital projects	-	-	-	1,175,003
Total expenditures	<u>1,836,752</u>	<u>722,629</u>	<u>160,763</u>	<u>3,770,004</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(78,529)</u>	<u>(40,744)</u>	<u>547,857</u>	<u>(1,931,365)</u>
Other financing sources (uses):				
Sale of capital assets	-	-	52,250	15,000
Operating transfers in	-	-	-	605,585
Operating transfers out	(57,181)	-	(549,325)	-
Total other financing sources (uses)	<u>(57,181)</u>	<u>-</u>	<u>(497,075)</u>	<u>620,585</u>
Net change in fund balances	(135,710)	(40,744)	50,782	(1,310,780)
Fund balances beginning of year	<u>927,532</u>	<u>122,297</u>	<u>451,045</u>	<u>2,089,785</u>
Fund balances end of year	<u>\$ 791,822</u>	<u>81,553</u>	<u>501,827</u>	<u>779,005</u>

See notes to financial statements.

Nonmajor	Total
-	1,938,425
-	15,209
20,158	2,499,595
-	14,464
1,993	296,179
30,580	178,595
5,000	102,631
<u>57,731</u>	<u>5,045,098</u>
-	568,539
-	233,244
-	722,629
15,192	374,184
-	2,595,001
-	217,704
2,497	621,533
-	1,175,003
<u>17,689</u>	<u>6,507,837</u>
<u>40,042</u>	<u>(1,462,739)</u>
-	67,250
921	606,506
-	(606,506)
<u>921</u>	<u>67,250</u>
40,963	(1,395,489)
<u>621,825</u>	<u>4,212,484</u>
<u>662,788</u>	<u>2,816,995</u>

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, 2008

Net change in fund balances - Total governmental funds (page 23) \$ (1,395,489)

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

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

Expenditures for capital assets	\$ 1,522,115	
Capital assets contributed by the Iowa Department of Transportation	16,494	
Depreciation expense	<u>(572,621)</u>	965,988

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. 36,107

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. 224,186

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

Adjustment to estimated costs for landfill closure and postclosure care	(33,008)	
Compensated absences	<u>(3,984)</u>	(36,992)

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 change in net assets of the Internal Service Fund is reported with governmental activities. (1,824)

Change in net assets of governmental activities (page 17) \$ (208,024)

See notes to financial statements.

Ida County
Statement of Net Assets
Proprietary Fund
June 30, 2008

	<u>Internal Service - Cafeteria Plan</u>
Assets	
None	\$ -
Liabilities	
Accounts payable	<u>1,962</u>
Net Assets	
Unrestricted	<u><u>\$ (1,962)</u></u>

See notes to financial statements.

Ida County
Statement of Revenues, Expenses and
Changes in Fund Net Assets
Proprietary Fund
Year ended June 30, 2008

	<u>Internal Service - Cafeteria Plan</u>
Operating revenues:	
Employee contributions	\$ 15,705
Operating expenses:	
Cafeteria plan benefits	17,529
Operating loss	<u>(1,824)</u>
Net assets beginning of year	<u>(138)</u>
Net assets end of year	<u><u>\$ (1,962)</u></u>

See notes to financial statements.

Ida County
 Statement of Cash Flows
 Proprietary Fund
 Year ended June 30, 2008

	Internal Service - Cafeteria Plan
Cash flows from operating activities:	
Cash received from employees	\$ 15,705
Cash paid for cafeteria plan benefits	(15,705)
Net cash provided by operating activities	-
Cash and cash equivalents beginning of year	-
Cash and cash equivalents end of year	\$ -
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (1,824)
Adjustment to reconcile operating loss to net cash provided by operating activities:	
Increase in accounts payable	1,824
Net cash provided by operating activities	\$ -

See notes to financial statements.

Ida County
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2008

Assets

Cash and pooled investments:	
County Treasurer	\$ 567,554
Other County officials	8,580
Receivables:	
Succeeding year property tax	6,740,000
Accounts	1,329
Accrued interest	341
Due from other governments	16,389
Total assets	<u>7,334,193</u>

Liabilities

Accounts payable	12,283
Salaries and benefits payable	3,943
Due to other governments	7,274,468
Trusts payable	3,830
Compensated absences	39,669
Total liabilities	<u>7,334,193</u>

Net assets	<u><u>\$ -</u></u>
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See notes to financial statements.

Ida County

Notes to Financial Statements

June 30, 2008

(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 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 43 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, 2008 included five

municipalities and the County. Ida County contributed \$395,104 and the municipalities contributed \$529,070 to support the Commission. Financial transactions of the Commission are included in the County's financial statements only to the extent of the County's fiduciary relationship with the Commission and, as such, are reported as part of the Other Agency Funds of the County.

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

The County also participates in the following jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa: West Central Iowa Sheltered Workshop, Siouxland Regional 12 Transit, Regional 12 Landfill, Third Judicial District Department of Corrections, Mid Sioux Community Action Agency, Northwest Iowa Multicounty Regional Detention Center and 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 Fund – An Internal Service Fund is 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 fund of the County applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's Internal Service Fund 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, 2006 assessed property valuations; is for the tax accrual period July 1, 2007 through June 30, 2008 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2007.

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.

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, 2008. 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.

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, 2008, disbursements did not exceed the amounts budgeted by function. Although the Board of Supervisors acted to increase appropriations to several departments, the appropriation changes were made after disbursements had exceeded the appropriations.

(2) Cash and Pooled Investments

The County’s deposits in banks at June 30, 2008 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 \$379,244 pursuant to Rule 2a-7 under the Investment Company Act of 1940. The investments in the Iowa Public Agency Investment Trust are unrated for credit risk purposes.

(3) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2008 is as follows:

Transfer to	Transfer from	Amount
Special Revenue:		
Secondary Roads	General	\$ 56,260
	Special Revenue:	
	Rural Services	549,325
Confiscated Funds -		
County Attorney	General	921
Total		\$ 606,506

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, 2008 was as follow:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 241,692	-	-	241,692
Construction in progress	3,576,266	720,183	(3,576,266)	720,183
Total capital assets not being depreciated	<u>3,817,958</u>	<u>720,183</u>	<u>(3,576,266)</u>	<u>961,875</u>
Capital assets being depreciated:				
Buildings	1,486,755	-	-	1,486,755
Equipment and vehicles	4,325,782	429,713	(321,514)	4,433,981
Infrastructure, road network	1,855,447	4,001,980	-	5,857,427
Total capital assets being depreciated	<u>7,667,984</u>	<u>4,431,693</u>	<u>(321,514)</u>	<u>11,778,163</u>
Less accumulated depreciation for:				
Buildings	870,314	36,465	-	906,779
Equipment and vehicles	2,763,945	307,274	(320,620)	2,750,599
Infrastructure, road network	241,125	228,882	-	470,007
Total accumulated depreciation	<u>3,875,384</u>	<u>572,621</u>	<u>(320,620)</u>	<u>4,127,385</u>
Total capital assets being depreciated, net	<u>3,792,600</u>	<u>3,859,072</u>	<u>(894)</u>	<u>7,650,778</u>
Governmental activities capital assets, net	<u>\$ 7,610,558</u>	<u>4,579,255</u>	<u>(3,577,160)</u>	<u>8,612,653</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
County environment and education	\$ 38,688
Roads and transportation	506,342
Administration	<u>27,591</u>
Total depreciation expense - governmental activities	<u>\$ 572,621</u>

(5) Due to Other Governments

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

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
General	Services	\$ 18,851
Special Revenue:		
Mental Health	Services	130,564
Rural Services	Services	3,539
		<u>134,103</u>
Total for governmental funds		<u>\$ 152,954</u>
Agency:		
County Offices	Collections	\$ 4,879
Agricultural Extension Education		111,410
County Assessor		169,674
Schools		4,574,841
Community Colleges		296,423
Corporations		1,507,915
Townships		197,937
Auto License and Use Tax		172,122
All other		239,267
Total for agency funds		<u>\$ 7,274,468</u>

(6) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2008 is as follows:

	<u>Compen- sated Absences</u>	<u>Estimated Liability for Closure and Postclosure Care</u>	<u>Total</u>
Balance beginning of year	\$ 71,680	480,277	551,957
Increases	58,362	33,008	91,370
Decreases	54,378	-	54,378
Balance end of year	<u>\$ 75,664</u>	<u>513,285</u>	<u>588,949</u>
Due within one year	<u>\$ 52,541</u>	<u>181,938</u>	<u>234,479</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 3.90% of their annual covered salary and the County is required to contribute 6.05% 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, 2008, 2007 and 2006 were \$117,826, \$110,050 and \$108,070, 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 563 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 200 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, 2008 were \$157,116.

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 \$10,000,000 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, 2008, no liability has been recorded in the County's financial statements. As of June 30, 2008, 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.

(10) Closure and Postclosure Care Costs

To comply with federal and state regulations, the County is required to complete a monitoring system plan and a closure/postclosure care plan and to provide funding necessary to effect closure and postclosure care, including the proper monitoring and care of the landfill after closure. Environmental Protection Agency (EPA) requirements have established closure and thirty-year postclosure care requirements for all municipal solid waste landfills that receive waste after October 9, 1993. State governments are primarily responsible for implementation and enforcement of those requirements and have been given flexibility to tailor requirements to accommodate local conditions that exist. The effect of the EPA requirement is to commit landfill owners to perform certain

closing functions and postclosure monitoring functions as a condition for the right to operate the landfill in the current period. The EPA requirements provide that when a landfill stops accepting waste, it must be covered with a minimum of twenty-four inches of earth to keep liquid away from the buried waste. Once the landfill is closed, the owner is responsible for maintaining the final cover, monitoring ground water and methane gas, and collecting and treating leachate (the liquid that drains out of waste) for thirty years.

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

These costs for the Ida County Landfill have been estimated at \$181,938 and \$331,347 for closure and postclosure care, respectively, for a total of \$513,285 as of June 30, 2008, and the portion of the liability that has been recognized is \$513,285. These amounts are based on what it would cost to perform all closure and postclosure care during the year ended June 30, 2008. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The Ida County Landfill closed during the fiscal year. The capacity used at June 30, 2008 is 100 percent.

Chapter 455B.306(9)(b) of the Code of Iowa requires permit holders of municipal solid waste landfills to maintain separate closure and postclosure care accounts to accumulate resources for the payment of closure and postclosure care costs. The County has accumulated resources to fund these costs and, at June 30, 2008, assets of \$613,388 are restricted for these purposes, of which \$193,800 is for closure and \$419,588 is for postclosure care. They are reported as restricted investments and accrued interest receivable in the Statement of Net Assets.

(11) 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, 2008, the County had no unspent amounts retained or restricted for the required purposes.

(12) 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, 2008:

Ida County Public Safety and Communications Commission							
	Operating	Confiscated Property	Sheriff's K-9	Sheriff's Commissary	Sheriff's Reserve Deputy	Sheriff's DARE	Total
Additions:							
Contributions from governmental units:							
Ida County	\$ 395,104	-	-	-	-	-	395,104
Ida Grove	252,979	-	-	-	-	-	252,979
Holstein	152,762	-	-	-	-	-	152,762
Arthur	24,093	-	-	-	-	-	24,093
Galva	30,322	-	-	-	-	-	30,322
Battle Creek	68,914	-	-	-	-	-	68,914
	924,174	-	-	-	-	-	924,174
Miscellaneous:							
Prisoner boarding fees	26,005	-	-	-	-	-	26,005
Miscellaneous	41,607	71	113	-	169	-	41,960
	67,612	71	113	-	169	-	67,965
Total additions	991,786	71	113	-	169	-	992,139
Deductions:							
Salaries and wages	548,659	-	-	-	-	-	548,659
Benefits	177,062	-	-	-	-	-	177,062
Iowa system rental	4,881	-	-	-	-	-	4,881
Postage and mailing	1,703	-	-	-	-	-	1,703
Office supplies	10,628	-	-	-	-	-	10,628
Mileage and subsistence	1,424	-	-	-	-	-	1,424
Education and training	9,891	-	-	-	-	-	9,891
Uniform allowance	4,320	-	-	-	-	-	4,320
Insurance	41,517	-	-	-	-	-	41,517
Equipment maintenance and repair	66,799	-	-	-	-	-	66,799
Motor vehicles and equipment	25,768	-	-	-	-	-	25,768
Motor vehicle supplies	56,139	-	-	-	-	-	56,139
Telephone and fax	7,881	-	-	-	-	-	7,881
Radio equipment repair and maintenance	1,177	-	-	-	-	-	1,177
Investigations	2,406	-	-	-	-	-	2,406
Jail food and provisions	17,252	-	-	-	-	-	17,252
Jail supplies	1,486	-	-	-	-	-	1,486
Medical supplies	1,700	-	-	-	-	-	1,700
Improvements	5,843	-	-	-	-	-	5,843
Miscellaneous	1,090	-	-	-	-	-	1,090
Total deductions	987,626	-	-	-	-	-	987,626
Change in net assets before transfers	4,160	71	113	-	169	-	4,513
Transfers	(200)	-	-	200	-	-	-
Change in net assets	3,960	71	113	200	169	-	4,513
Balance beginning of year	121,657	9	(13)	-	581	337	122,571
Balance end of year	\$ 125,617	80	100	200	750	337	127,084

(13) 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.

(14) Development Agreements and Establishment of Urban Renewal Area

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

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

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 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 be used by the County for County improvement projects.

As of June 30, 2008, the County has incurred costs of \$444,909 related to the road improvement project.

(15) Construction Commitment

During June 2008, the County entered into a construction contract totaling \$299,836 for the Ida County landfill closure project. As of June 30, 2008, no costs have been incurred related to this contract.

(16) Deficit Balance

The Internal Service, Cafeteria Plan Fund had a deficit balance of \$1,962 at June 30, 2008. The deficit will be eliminated through future employee payroll deductions.

(17) Subsequent Event

On September 18, 2008, Ida County entered into an Enterprise Zone financial assistance contract with the Iowa Department of Economic Development and VT Industries, Inc. to assist in a business expansion project totaling \$900,000. The contract establishes project requirements, including the creation and maintenance of at least 20 full-time project related jobs which meet wage threshold and benefit requirements. In exchange, the County agreed to abate property tax for VT Industries, Inc. of up to 100% of the value added to the property for a period of ten years.

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, 2008

	Actual	Budgeted Amounts		Final to Actual Variance
		Original	Final	
Receipts:				
Property and other county tax	\$ 1,938,425	1,939,413	1,939,413	(988)
Interest and penalty on property tax	15,209	6,000	6,000	9,209
Intergovernmental	2,471,457	2,603,989	2,664,611	(193,154)
Licenses and permits	13,247	12,781	12,781	466
Charges for service	335,257	328,538	328,538	6,719
Use of money and property	202,482	61,090	61,090	141,392
Miscellaneous	114,210	53,676	53,676	60,534
Total receipts	<u>5,090,287</u>	<u>5,005,487</u>	<u>5,066,109</u>	<u>24,178</u>
Disbursements:				
Public safety and legal services	569,804	603,863	603,863	34,059
Physical health and social services	188,826	239,455	287,755	98,929
Mental health	690,975	731,891	731,891	40,916
County environment and education	382,162	853,802	866,124	483,962
Roads and transportation	2,533,271	2,242,000	2,542,000	8,729
Governmental services to residents	220,376	257,390	257,390	37,014
Administration	653,307	750,429	750,429	97,122
Capital projects	656,183	1,110,000	1,110,000	453,817
Total disbursements	<u>5,894,904</u>	<u>6,788,830</u>	<u>7,149,452</u>	<u>1,254,548</u>
Excess (deficiency) of receipts over (under) disbursements	(804,617)	(1,783,343)	(2,083,343)	1,278,726
Other financing sources, net	46,243	100	100	46,143
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(758,374)	(1,783,243)	(2,083,243)	1,324,869
Balance beginning of year	<u>3,898,349</u>	<u>2,915,416</u>	<u>2,915,416</u>	<u>982,933</u>
Balance end of year	<u>\$ 3,139,975</u>	<u>1,132,173</u>	<u>832,173</u>	<u>2,307,802</u>

See accompanying independent auditor's report.

Ida County
 Budgetary Comparison Schedule - Budget to GAAP Reconciliation
 Required Supplementary Information
 Year ended June 30, 2008

	Governmental Funds		
	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis
Revenues	\$ 5,090,287	(45,189)	5,045,098
Expenditures	5,894,904	612,933	6,507,837
Net	(804,617)	(658,122)	(1,462,739)
Other financing sources, net	46,243	21,007	67,250
Beginning fund balances	3,898,349	314,135	4,212,484
Ending fund balances	\$ 3,139,975	(322,980)	2,816,995

See accompanying independent auditor's report.

Ida County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2008

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

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except the Internal Service Fund 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 8 major classes of expenditures known as functions, not by fund or fund type. These 8 functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund and the Special Revenue Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$360,622. The budget amendments are reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the 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, 2008, disbursements did not exceed the amounts budgeted by function. Although the Board of Supervisors acted to increase appropriations to several departments, the appropriation changes were made after disbursements had exceeded the appropriations.

Other Supplementary Information

Ida County
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2008

	County Recorder's Records Management	County Government Assistance	Resource Enhancement and Protection	Special Confiscated Funds - County Attorney
Assets				
Cash and pooled investments	\$ 7,897	17,278	8,403	2,582
Restricted cash and pooled investments	-	-	-	-
Accrued interest receivable	-	-	21	-
Due from other governments	-	3,000	-	1,174
Prepaid insurance	-	-	634	-
Total assets	\$ 7,897	20,278	9,058	3,756
Liabilities and Fund Equity				
Liabilities:				
Accounts payable	\$ -	-	59	-
Salaries and benefits payable	-	-	247	-
Total liabilities	-	-	306	-
Fund equity:				
Fund balances:				
Reserved for closure and postclosure care	-	-	-	-
Unreserved	7,897	20,278	8,752	3,756
Total fund equity	7,897	20,278	8,752	3,756
Total liabilities and fund equity	\$ 7,897	20,278	9,058	3,756

See accompanying independent auditor's report.

Revenue				
Landfill Closure/ Postclosure	Recorders Electronic Transaction Fee	Public Health Services Enhancement		Total
-	59	8,658		44,877
607,349	-	-		607,349
6,039	-	-		6,060
-	-	-		4,174
-	-	-		634
613,388	59	8,658		663,094
-	-	-		59
-	-	-		247
-	-	-		306
613,388	-	-		613,388
-	59	8,658		49,400
613,388	59	8,658		662,788
613,388	59	8,658		663,094

Ida County

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

Year ended June 30, 2008

	County Recorder's Records Management	County Government Assistance	Resource Enhancement and Protection	Special Confiscated Funds - County Attorney
Revenues:				
Intergovernmental	\$ -	-	17,323	2,835
Charges for service	1,993	-	-	-
Use of money and property	-	3,000	(17)	-
Miscellaneous	-	-	5,000	-
Total revenues	<u>1,993</u>	<u>3,000</u>	<u>22,306</u>	<u>2,835</u>
Expenditures:				
Operating:				
County environment and education	-	-	15,192	
Administration	2,497	-	-	
Total expenditures	<u>2,497</u>	<u>-</u>	<u>15,192</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(504)	3,000	7,114	2,835
Other financing sources:				
Operating transfers in	-	-	-	921
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(504)	3,000	7,114	3,756
Fund balances beginning of year	<u>8,401</u>	<u>17,278</u>	<u>1,638</u>	<u>-</u>
Fund balances end of year	<u>\$ 7,897</u>	<u>20,278</u>	<u>8,752</u>	<u>3,756</u>

See accompanying independent auditor's report.

Revenue				
Landfill Closure/ Postclosure	Recorders Electronic Transaction Fee	Public Health Services Enhancement	Total	
-	-	-	20,158	
-	-	-	1,993	
27,597	-	-	30,580	
-	-	-	5,000	
27,597	-	-	57,731	
-	-	-	15,192	
-	-	-	2,497	
-	-	-	17,689	
27,597	-	-	40,042	
-	-	-	921	
27,597	-	-	40,963	
585,791	59	8,658	621,825	
613,388	59	8,658	662,788	

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

June 30, 2008

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash and pooled investments:				
County Treasurer	\$ -	1,410	44,062	61,841
Other County officials	8,580	-	-	-
Receivables:				
Succeeding year property tax	-	110,000	131,000	4,513,000
Accounts	129	-	-	-
Accrued interest	-	-	-	-
Due from other governments	-	-	-	-
Total assets	\$ 8,709	111,410	175,062	4,574,841
Liabilities				
Accounts payable	\$ -	-	-	-
Salaries and benefits payable	-	-	292	-
Due to other governments	4,879	111,410	169,674	4,574,841
Trusts payable	3,830	-	-	-
Compensated absences	-	-	5,096	-
Total liabilities	\$ 8,709	111,410	175,062	4,574,841

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Other	Total
3,423	9,915	2,937	172,122	271,844	567,554
-	-	-	-	-	8,580
293,000	1,498,000	195,000	-	-	6,740,000
-	-	-	-	1,200	1,329
-	-	-	-	341	341
-	-	-	-	16,389	16,389
296,423	1,507,915	197,937	172,122	289,774	7,334,193
-	-	-	-	12,283	12,283
-	-	-	-	3,651	3,943
296,423	1,507,915	197,937	172,122	239,267	7,274,468
-	-	-	-	-	3,830
-	-	-	-	34,573	39,669
296,423	1,507,915	197,937	172,122	289,774	7,334,193

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

Year ended June 30, 2008

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets and Liabilities				
Balances beginning of year	\$ 13,093	96,465	163,037	4,206,513
Additions:				
Property and other county tax	-	109,500	130,623	4,514,250
E911 surcharge	-	-	-	-
State tax credits	-	5,697	6,429	249,757
Drivers license fees	-	-	-	-
Office fees and collections	229,321	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Trusts	76,919	-	-	-
Assessments	-	-	-	-
Miscellaneous	-	-	736	-
Total additions	306,240	115,197	137,788	4,764,007
Deductions:				
Agency remittances:				
To other funds	179,201	-	-	-
To other governments	57,873	100,252	125,763	4,395,679
Trusts paid out	73,550	-	-	-
Total deductions	310,624	100,252	125,763	4,395,679
Balances end of year	\$ 8,709	111,410	175,062	4,574,841

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Other	Total
234,459	1,401,547	145,301	147,547	259,087	6,667,049
292,650	1,491,342	195,657	-	1,303	6,735,325
-	-	-	-	59,569	59,569
13,869	83,958	8,070	-	67	367,847
-	-	-	19,236	-	19,236
-	-	-	-	-	229,321
-	-	-	2,105,326	-	2,105,326
-	-	-	-	-	76,919
-	-	-	-	5,242	5,242
-	-	-	-	1,240,910	1,241,646
306,519	1,575,300	203,727	2,124,562	1,307,091	10,840,431
-	-	-	82,129	200	261,530
244,555	1,468,932	151,091	2,017,858	1,276,204	9,838,207
-	-	-	-	-	73,550
244,555	1,468,932	151,091	2,099,987	1,276,404	10,173,287
296,423	1,507,915	197,937	172,122	289,774	7,334,193

Ida County

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

For the Last Eight Years

	Modified Accrual			
	2008	2007	2006	2005
Revenues:				
Property and other county tax	\$ 1,938,425	1,819,514	1,805,477	1,794,080
Interest and penalty on property tax	15,209	14,322	16,904	16,512
Intergovernmental	2,499,595	2,490,839	2,498,943	2,556,140
Licenses and permits	14,464	12,909	13,883	9,907
Charges for service	296,179	387,574	424,370	436,497
Use of money and property	178,595	235,173	190,666	85,074
Fines, forfeitures and defaults	-	-	-	-
Miscellaneous	102,631	245,039	18,408	36,389
Total	\$ 5,045,098	5,205,370	4,968,651	4,934,599
Expenditures:				
Operating:				
Public safety and legal services	\$ 568,539	551,562	519,155	480,795
Physical health and social services	233,244	234,664	360,158	318,038
Mental health	722,629	658,922	646,308	610,672
County environment and education	374,184	376,643	364,521	360,779
Roads and transportation	2,595,001	2,239,202	2,281,399	1,628,623
Governmental services to residents	217,704	233,356	250,304	268,221
Administration	621,533	711,761	607,036	612,838
Capital projects	1,175,003	3,465	197,100	53,982
Total	\$ 6,507,837	5,009,575	5,225,981	4,333,948

See accompanying independent auditor's report.

Basis			
2004	2003	2002	2001
1,781,461	1,753,654	1,711,400	1,764,020
15,886	13,930	14,823	17,467
2,401,989	2,277,734	2,457,162	2,381,672
8,545	8,877	6,665	7,583
413,286	336,877	357,731	306,442
46,471	77,434	116,107	245,255
-	-	224	814
2,491	37,749	29,538	12,174
<u>4,670,129</u>	<u>4,506,255</u>	<u>4,693,650</u>	<u>4,735,427</u>
478,252	462,695	446,205	391,722
403,786	414,539	415,643	399,138
585,812	600,863	590,865	596,809
428,899	352,426	333,195	339,395
1,760,485	2,129,355	1,867,319	1,727,312
226,212	218,386	197,742	177,693
569,878	521,064	498,273	486,639
153,477	447,737	71,441	282,783
<u>4,606,801</u>	<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

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Auditor of State

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

To the Officials of Ida County:

We have audited 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, 2008, which collectively comprise the County's basic financial statements listed in the table of contents, and have issued our report thereon dated April 3, 2009. 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 a deficiency we consider to be a material weakness.

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 item (A) is a material weakness.

Compliance and Other Matters

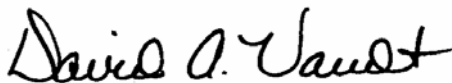
As part of obtaining reasonable assurance about whether Ida County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2008 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.

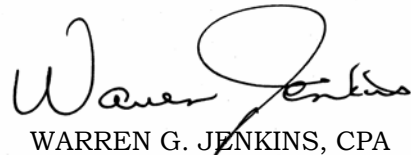
Ida County's responses to findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the County's responses, we did not audit Ida County's responses and, accordingly, we express no opinion on them.

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

April 3, 2009

Ida County

Schedule of Findings

Year ended June 30, 2008

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.	Sheriff
(2) Responsibilities for collection, deposit preparation and reconciliation functions are not segregated from those for recording and accounting for cash receipts.	Treasurer, Recorder, Sheriff and Ag Extension
(3) Investment custody and accounting functions are not segregated and evidence of the review of investments by an independent person did not exist.	Treasurer
(4) Preparing bank reconciliations and handling and recording cash functions are not segregated. Bank reconciliations are not reviewed by an independent person for propriety. The change fund is shared among employees and is not verified by surprise counts.	Recorder and Ag Extension
(5) Preparing the capital asset listing and reconciling the listing to the accounting records are not segregated. Also, the capital asset listing is not reviewed by an independent person.	Auditor

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

Ida County

Schedule of Findings

Year ended June 30, 2008

Responses –

Sheriff – With limited staff it is difficult to always ensure segregation of duties but we will do the best we can to comply with the recommendations.

Recorder – We will try to meet these recommendations to the best of our ability.

Treasurer – (2) Being a very small office, we share the duties. We will rotate balancing duties and welcome a surprise cash count by the Board. (3) Members of Board of Supervisors are given copies of the investments each month. Documented review will be requested.

Ag Extension – (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. All staff members may collect and receipt in cash as it arrives. Any income arriving via mail is first opened and processed by the County Extension Education Director (CEED). 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. The council treasurer will now initial these documents. As required per ISU Extension Finance, the office assistant is required to enter all accounting transactions. (4) Cash functions are segregated as much as is possible with a limited staff. See above. In addition, the change fund is reported to the council each month at council meetings with appropriate documentation of transactions and balance on hand. Voucher slips and receipts are prepared and kept on file as documentation for all cash transactions. A minimum of once per month, these funds are received by the CEED and council, and evidenced with initials and/or signatures.

Auditor – We will have the Board of Supervisors review the capital asset listing and approve it.

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 – The landfill closed October 1, 2007. Rural receipts are still collected. They are deposited with the Treasurer on a bi-weekly basis.

Conclusion – Response accepted.

Ida County

Schedule of Findings

Year ended June 30, 2008

(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.

Response – We will try to do this. We have asked for more sign-ins so this wouldn’t be a problem.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Ida County

Schedule of Findings

Year ended June 30, 2008

Other Findings Related to Required Statutory Reporting:

- (1) Certified Budget – Disbursements during the year ended June 30, 2008 did not exceed the amounts budgeted by function. Although the Board of Supervisors acted to increase appropriations to several departments, the appropriation changes were made after disbursements had exceeded the appropriations.

Recommendation – Chapter 331.434(6) of the Code of Iowa authorizes the Board of Supervisors, by resolution, to increase or decrease appropriations of one office or department by increasing or decreasing the appropriation of another office or department as long as the function budget is not increased. Such increases or decreases should be made before disbursements are allowed to exceed the appropriation.

Response – Departmental appropriations will be reviewed so that increases or decreases are made before disbursements are allowed to exceed the appropriations.

Conclusion – Response accepted.

- (2) Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- (3) Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- (4) Business Transactions – No business transactions between the County and County officials or employees were noted.
- (5) Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- (6) Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- (7) Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.
- (8) Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- (9) Solid Waste Fees Retainage – During the year ended June 30, 2008, 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, 2008

(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. Total estimated costs for closure and postclosure care are \$513,285. The balance at June 30, 2008 reserved for landfill closure and postclosure care is \$613,388. Therefore, the closure and postclosure care costs are fully funded at June 30, 2008.

(11) Deficit Fund Balance – The Internal Service, Cafeteria Plan Fund had a deficit balance of \$1,962 at June 30, 2008.

Recommendation – The County should investigate alternatives to eliminate this deficit to return the fund to a sound financial position.

Response – The Cafeteria Plan Fund is constantly fluctuating. Every dollar that is credited is expended. These are employee set aside dollars for unreimbursed medical, dental and vision claims. Employees are allowed to expend the entire allocation prior to achieving their own total balance which results in some negative activity in this fund.

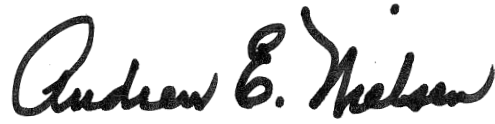
Conclusion – Response accepted.

Ida County

Staff

This audit was performed by:

Suzanne R. Dahlstrom, CPA, Manager
Billie Jo Heth, Senior Auditor II
Keith C. Kistenmacher, Staff Auditor
Reza Sepehri, Assistant Auditor

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

Andrew E. Nielsen, CPA
Deputy Auditor of State