



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

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Auditor of State

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NEWS RELEASE

FOR RELEASE

April 2, 2010

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

The County had local tax revenue of \$9,604,563 for the year ended June 30, 2009, which included \$462,592 in tax credits from the state. The County forwarded \$7,511,577 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$2,092,986 of the local tax revenue to finance County operations, a 1.9 percent increase over the prior year. Other revenues included charges for service of \$333,643, operating grants, contributions and restricted interest of \$2,277,120, unrestricted investment earnings of \$51,423 and other general revenues of \$221,928.

Expenses for County operations totaled \$5,174,754, a 7.8 percent decrease from the prior year. Expenses included \$2,793,272 for roads and transportation, \$627,915 for administration and \$617,916 for mental health. The decrease in expenses is due primarily to a decrease 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/index.html>.

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IDA COUNTY
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS
JUNE 30, 2009

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Ida County

Officials

| <u>Name</u> | <u>Title</u> | <u>Term Expires</u> |
|------------------------------|----------------------|---------------------|
| (Before January 2009) | | |
| 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 |
| (After January 2009) | | |
| Allen Hilker | Board of Supervisors | Jan 2011 |
| Joseph L. Cronin | Board of Supervisors | Jan 2013 |
| Robert C. Paulsrud | Board of Supervisors | Jan 2013 |
| Lorna Steenbock | County Auditor | Jan 2013 |
| Kay Cork | County Treasurer | Jan 2011 |
| Colleen Gries | County Recorder | (Resigned) |
| Julie Phillips (Appointed) | County Recorder | Nov 2010 |
| Wade Harriman | County Sheriff | Jan 2013 |
| 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, 2009, 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.

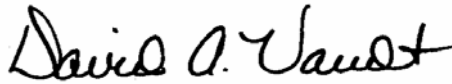
We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain 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, 2009, 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 March 9, 2010 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 42 through 44 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 eight years ended June 30, 2008 (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

March 9, 2010

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, 2009. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2009 FINANCIAL HIGHLIGHTS

- The County's governmental activities revenues decreased approximately \$427,000, or 8%, from fiscal year 2008 to fiscal year 2009. Miscellaneous revenues decreased approximately \$415,000 from fiscal 2008 due to less revenue being recognized in the current year related to a private development agreement with Platinum Ethanol, LLC.
- The County's governmental activities expenses decreased approximately \$437,000, or 7.8%, in fiscal year 2009 from fiscal year 2008.
- The County's net assets decreased approximately \$198,000, or 1.8%, from June 30, 2008 to June 30, 2009.

USING THIS ANNUAL REPORT

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

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

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

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

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

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

Other Supplementary Information provides detailed information about the nonmajor governmental and the individual 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. During fiscal year 2009, the County closed this fund.

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 \$11,283,646 to \$11,085,992. The analysis that follows focuses on the changes in the net assets of governmental activities.

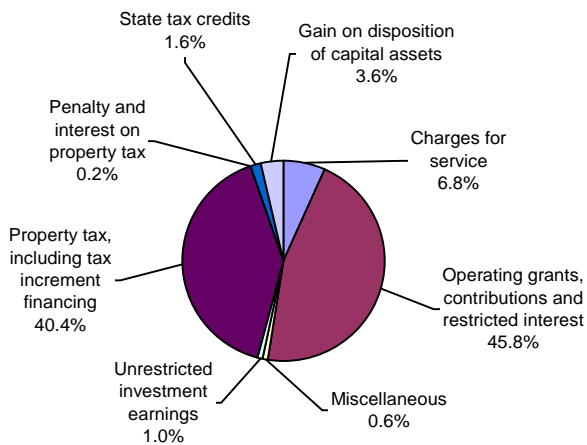
| Net Assets of Governmental Activities (Expressed in Thousands) | | |
|-------------------------------------------------------------------|---------------------|---------------|
| | Year ended June 30, | |
| | 2009 | 2008 |
| Current and other assets | \$ 6,184 | 6,271 |
| Capital assets | 8,365 | 8,613 |
| Total assets | <u>14,549</u> | <u>14,884</u> |
| Long-term liabilities | 462 | 589 |
| Other liabilities | 3,001 | 3,011 |
| Total liabilities | <u>3,463</u> | <u>3,600</u> |
| Net assets: | | |
| Invested in capital assets | 8,365 | 8,613 |
| Restricted | 1,347 | 966 |
| Unrestricted | <u>1,374</u> | <u>1,705</u> |
| Total net assets | <u>\$ 11,086</u> | <u>11,284</u> |

Net assets of Ida County's governmental activities decreased 1.8% (\$11,085,992 compared to \$11,283,646). The largest portion of the County's net assets is invested in capital assets (e.g., land, infrastructure, buildings and equipment). Restricted net assets represent resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements—decreased from approximately \$1.7 million at June 30, 2008 to approximately \$1.4 million at June 30, 2009, a decrease of 19.4%.

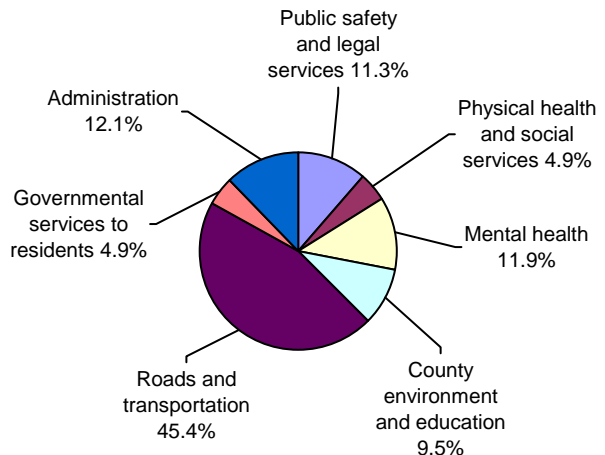
Changes in Net Assets of Governmental Activities
(Expressed in Thousands)

| | Year ended June 30, | |
|---------------------------------------------------------|---------------------|--------|
| | 2009 | 2008 |
| Revenues: | | |
| Program revenues: | | |
| Charges for service | \$ 334 | 443 |
| Operating grants, contributions and restricted interest | 2,277 | 2,151 |
| Capital grants, contributions and restricted interest | - | 17 |
| General revenues: | | |
| Property tax, including tax increment financing | 2,015 | 1,938 |
| Penalty and interest on property tax | 14 | 15 |
| State tax credits | 78 | 116 |
| Unrestricted investment earnings | 51 | 176 |
| Gain on disposition of capital assets | 178 | 103 |
| Miscellaneous | 30 | 445 |
| Total revenues | 4,977 | 5,404 |
| Program expenses: | | |
| Public safety and legal services | 583 | 568 |
| Physical health and social services | 255 | 233 |
| Mental health | 618 | 723 |
| County environment and education | 491 | 419 |
| Roads and transportation | 2,348 | 2,784 |
| Governmental services to residents | 252 | 220 |
| Administration | 628 | 648 |
| Non-program | - | 17 |
| Total expenses | 5,175 | 5,612 |
| Change in net assets | (198) | (208) |
| Net assets beginning of year | 11,284 | 11,492 |
| Net assets end of year | \$ 11,086 | 11,284 |

Revenues by Source



Expenses by Program



The County decreased property tax levy rates for fiscal year 2009 by an average of 8.6% due, in part, to a decrease in the general basic levy rate to \$3.2500 per \$1,000 of taxable valuation from \$3.5000 per \$1,000 of taxable valuation and the rural services levy rate to \$2.2400 per \$1,000 of taxable valuation from \$2.5000 per \$1,000 of taxable valuation. Taxable valuations increased approximately 10.3% for county wide levies. Tax revenue increased approximately \$77,000 in fiscal year 2009. Based on a 5% increase in the taxable valuation and a 20.42% increase in property tax rates, property tax revenue is budgeted to increase approximately \$590,000 next year.

INDIVIDUAL MAJOR FUND ANALYSIS

As Ida County completed the year, its governmental funds reported a combined fund balance of \$2,707,684, a decrease of \$109,311 from last year's total of \$2,816,995. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues decreased \$121,434, due primarily to a decrease in interest on investments of \$106,381 as a result of less investment principal from the prior year and lower interest rates. Expenditures increased \$97,929, or 5.3%, primarily due to a county information system software upgrade. The ending fund balance decreased \$359,941 from the prior year to \$431,881.
- The County has continued to look for ways to effectively manage the cost of mental health services. For the year, expenditures totaled \$617,916, a decrease of 14.5% from the prior year. The revenues totaled \$876,828, an increase of 28.6%, or \$194,943, over the previous year due to state grants totaling \$175,000 for the adult mental health developmental disabilities (MH-DD) growth factor. The Mental Health Fund balance at year end increased \$258,912 from the prior year to \$340,465.
- Rural Services Fund revenues decreased \$97,068. Expenditures increased \$240,013, primarily due to an increase of approximately \$252,000 for solid waste disposal. The ending fund balance decreased \$12,547 from the prior year to \$489,280.
- Secondary Roads Fund revenues increased \$178,146. Total expenditures decreased \$1,246,690 from the prior year, primarily due to capital project expenditures decreasing by \$894,583 to \$280,420 in fiscal year 2009 as a result, in part, to less road projects than in the prior year. The Secondary Roads Fund ending balance increased \$191,080.

BUDGETARY HIGHLIGHTS

Ida County did not amend the budget during the year.

The County's receipts were \$184,835 more than budgeted, within 3.7% of the amount budgeted.

Total disbursements were \$461,788 less than budgeted. Actual disbursements for the county environment and education, administration, and public safety and legal services functions were \$245,809, \$56,024 and \$53,842, respectively, less than budgeted. In the county environment and education function, the budgeted landfill closing bid was lower than projected and the weed eradication budget was not fully expended. In the administration function, \$20,000 in county government assistance was not expended and several other departments, such as general expense and data processing, did not incur the entire budgeted expense. Public safety and legal services have several designated funds budgeted which were not expended. Departments such as the Clerk of Court, juvenile detention and medical examiner had less disbursements than the previous year.

The County did not exceed the amounts budgeted by function during fiscal year 2009.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2009, Ida County had approximately \$8.4 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This is a net decrease (including additions and deletions) of approximately \$247,000, or 2.9%, from last year.

| Capital Assets of Governmental Activities at Year End (Expressed in Thousands) | | |
|-----------------------------------------------------------------------------------|-----------------|---------------|
| | June 30, | |
| | 2009 | 2008 |
| Land | \$ 242 | 242 |
| Construction in progress | 102 | 720 |
| Buildings and improvements | 543 | 580 |
| Equipment and vehicles | 1,593 | 1,684 |
| Infrastructure | 5,885 | 5,387 |
| Total | \$ 8,365 | 8,613 |
| This year's major additions included (in thousands): | | |
| Secondary Roads equipment | | \$ 197 |
| Local road projects | | 93 |
| Jail addition | | 49 |
| John Deere mower | | 12 |
| Total | | \$ 351 |

The County had depreciation expense of \$599,747 in fiscal year 2009 and total accumulated depreciation of \$4,342,026 at June 30, 2009. More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

Long-Term Debt

At June 30, 2009, 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 2010 budget, tax rates and fees charged for various County activities. These factors were considerations for the fiscal year 2010 budget which certified taxes as follows: (Amount certified includes utility replacement and property tax dollars)

| | 2010 | 2009 | Percentage Change |
|---------------------------|----------------------|----------------------|----------------------|
| | Dollars Certified | Dollars Certified | |
| General basic levy | \$ 1,353,068 | 1,195,020 | 13.23% |
| General supplemental levy | 471,641 | - | 100% |
| Mental health levy | 297,912 | 299,182 | -0.42% |
| Rural services basic levy | 592,502 | 598,558 | -1.01% |
| Total | \$ 2,715,123 | 2,092,760 | 29.74% |

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 fiscal year 2010 budget. Levy rates (expressed in \$/\$1,000 of taxable valuation) to produce the above dollars for fiscal year 2010 are as follows:

| | 2010 | 2009 | Percentage Change |
|---------------------------|------------|---------|----------------------|
| General basic levy | \$ 3.50000 | 3.25000 | 7.69% |
| General supplemental levy | 1.22000 | - | 100.00% |
| Mental health levy | 0.77061 | 0.81366 | -5.29% |
| Rural services basic levy | 2.10000 | 2.24000 | -6.25% |
| Total | \$ 7.59061 | 6.30366 | 20.42% |

Budgeted disbursements in the fiscal year 2010 operating budget are approximately \$6.1 million, which is a 7.8% decrease from the fiscal year 2009 final budget. Total taxable valuations increased approximately \$19 million. The mental health levy rate was lowered 5.29% due to the fiscal year 2009 ending fund balance. The rural services basic levy rate decreased 6.25%.

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, 2009

| | <u>Governmental Activities</u> |
|------------------------------------------------------|------------------------------------|
| Assets | |
| Cash and pooled investments | \$ 1,997,411 |
| Restricted cash and pooled investments | 418,998 |
| Receivables: | |
| Succeeding year property tax | 2,693,000 |
| Accounts | 478,090 |
| Accrued interest | 3,830 |
| Due from other governments | 160,303 |
| Inventories | 373,874 |
| Prepaid insurance | 58,482 |
| Capital assets (net of accumulated depreciation) | 8,365,220 |
| Total assets | <u>14,549,208</u> |
| Liabilities | |
| Accounts payable | 185,675 |
| Salaries and benefits payable | 34,491 |
| Due to other governments | 88,138 |
| Deferred revenue: | |
| Succeeding year property tax | 2,693,000 |
| Long-term liabilities: | |
| Portion due or payable within one year: | |
| Compensated absences | 38,859 |
| Estimated liability for closure and postclosure care | 12,615 |
| Portion due or payable after one year: | |
| Compensated absences | 44,603 |
| Estimated liability for closure and postclosure care | 365,835 |
| Total liabilities | <u>3,463,216</u> |
| Net Assets | |
| Invested in capital assets | 8,365,220 |
| Restricted for: | |
| Supplemental levy purposes | 5,852 |
| Mental health purposes | 340,465 |
| Secondary roads purposes | 902,442 |
| Other purposes | 97,523 |
| Unrestricted | 1,374,490 |
| Total net assets | <u>\$ 11,085,992</u> |

See notes to financial statements.

Ida County
Statement of Activities
Year ended June 30, 2009

| | 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 | \$ 582,787 | 36,635 | 9,531 | - | (536,621) |
| Physical health and social services | 254,703 | 16,631 | 107,643 | - | (130,429) |
| Mental health | 617,916 | 3,147 | 574,005 | - | (40,764) |
| County environment and education | 491,216 | 54,602 | 14,236 | - | (422,378) |
| Roads and transportation | 2,348,363 | 45,520 | 1,533,317 | - | (769,526) |
| Governmental services to residents Administration | 251,854 | 133,924 | 2,370 | - | (115,560) |
| | 627,915 | 43,184 | 36,018 | - | (548,713) |
| Total | \$ 5,174,754 | 333,643 | 2,277,120 | - | (2,563,991) |
| General Revenues: | | | | | |
| Property and other county tax levied for: | | | | | |
| General purposes | | | | | 1,982,400 |
| Tax increment financing | | | | | 32,211 |
| Penalty and interest on property tax | | | | | 14,344 |
| State tax credits | | | | | 78,375 |
| Unrestricted investment earnings | | | | | 51,423 |
| Gain on disposition of capital assets | | | | | 177,493 |
| Miscellaneous | | | | | 30,091 |
| Total general revenues | | | | | 2,366,337 |
| Change in net assets | | | | | (197,654) |
| Net assets beginning of year | | | | | 11,283,646 |
| Net assets end of year | | | | | \$ 11,085,992 |

See notes to financial statements.

Ida County
Balance Sheet
Governmental Funds

June 30, 2009

| | Special Revenue | | | |
|--------------------------------------------|---------------------|------------------|-------------------|--------------------|
| | General | Mental Health | Rural Services | Secondary Roads |
| Assets | | | | |
| Cash and pooled investments | \$ 410,786 | 441,863 | 488,953 | 601,297 |
| Restricted cash and pooled investments | - | - | - | - |
| Receivables: | | | | |
| Succeeding year property tax | 1,736,000 | 283,000 | 565,000 | - |
| Accounts | 2,414 | - | 453 | 475,223 |
| Accrued interest | 1,853 | - | - | - |
| Due from other governments | 25,419 | - | - | 134,884 |
| Inventories | - | - | - | 373,874 |
| Prepaid insurance | 35,881 | - | 2,618 | 19,497 |
| Total assets | \$ 2,212,353 | 724,863 | 1,057,024 | 1,604,775 |
| Liabilities and Fund Balances | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 29,812 | 19,257 | 2,531 | 134,075 |
| Salaries and benefits payable | 8,768 | - | 213 | 25,510 |
| Due to other governments | 5,892 | 82,141 | - | 105 |
| Deferred revenue: | | | | |
| Succeeding year property tax | 1,736,000 | 283,000 | 565,000 | - |
| Other | - | - | - | 475,000 |
| Total liabilities | 1,780,472 | 384,398 | 567,744 | 634,690 |
| Fund balances: | | | | |
| Reserved for: | | | | |
| Supplemental levy purposes | 5,852 | - | - | - |
| Closure and postclosure care | - | - | - | - |
| Unreserved, designated for: | | | | |
| Courthouse maintenance | 12,000 | - | - | - |
| Public safety | 4,807 | - | - | - |
| Computer equipment | 39,023 | - | - | - |
| Legal services | 10,372 | - | - | - |
| Unreserved, reported in: | | | | |
| General fund | 359,827 | - | - | - |
| Special revenue funds | - | 340,465 | 489,280 | 970,085 |
| Total fund balances | 431,881 | 340,465 | 489,280 | 970,085 |
| Total liabilities and fund balances | \$ 2,212,353 | 724,863 | 1,057,024 | 1,604,775 |

See notes to financial statements.

| Nonmajor | Total |
|----------------|------------------|
| 54,512 | 1,997,411 |
| 418,998 | 418,998 |
| 109,000 | 2,693,000 |
| - | 478,090 |
| 1,977 | 3,830 |
| - | 160,303 |
| - | 373,874 |
| 486 | 58,482 |
| <u>584,973</u> | <u>6,183,988</u> |
| - | 185,675 |
| - | 34,491 |
| - | 88,138 |
| 109,000 | 2,693,000 |
| - | 475,000 |
| <u>109,000</u> | <u>3,476,304</u> |
| - | 5,852 |
| 420,949 | 420,949 |
| - | 12,000 |
| - | 4,807 |
| - | 39,023 |
| - | 10,372 |
| - | 359,827 |
| 55,024 | 1,854,854 |
| <u>475,973</u> | <u>2,707,684</u> |
| <u>584,973</u> | <u>6,183,988</u> |

Ida County

Ida County

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

June 30, 2009

Total governmental fund balances (page 19) \$ 2,707,684

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 \$12,707,246 and the accumulated depreciation is \$4,342,026. 8,365,220

Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the governmental funds. 475,000

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. (461,912)

Net assets of governmental activities (page 16) \$ 11,085,992

See notes to financial statements.

Ida County

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

Year ended June 30, 2009

| | Special Revenue | | | |
|--------------------------------------------------------------|-----------------|------------------|-------------------|--------------------|
| | General | Mental Health | Rural Services | Secondary Roads |
| Revenues: | | | | |
| Property and other county tax | \$ 1,131,693 | 283,327 | 567,380 | - |
| Penalty and interest on property tax | 14,344 | - | - | - |
| Intergovernmental | 199,040 | 590,354 | 32,124 | 1,978,226 |
| Licenses and permits | 14,019 | - | - | 875 |
| Charges for service | 200,071 | - | 2,277 | - |
| Use of money and property | 41,634 | - | - | - |
| Miscellaneous | 35,988 | 3,147 | 9,771 | 37,684 |
| Total revenues | 1,636,789 | 876,828 | 611,552 | 2,016,785 |
| Expenditures: | | | | |
| Operating: | | | | |
| Public safety and legal services | 582,787 | - | - | - |
| Physical health and social services | 254,743 | - | - | - |
| Mental health | - | 617,916 | - | - |
| County environment and education | 199,404 | - | 400,776 | - |
| Roads and transportation | - | - | - | 2,242,896 |
| Governmental services to residents | 250,908 | - | - | - |
| Administration | 646,839 | - | - | - |
| Capital projects | - | - | - | 280,420 |
| Total expenditures | 1,934,681 | 617,916 | 400,776 | 2,523,316 |
| Excess (deficiency) of revenues over (under) expenditures | (297,892) | 258,912 | 210,776 | (506,531) |
| Other financing sources (uses): | | | | |
| Sale of capital assets | - | - | 171,099 | 3,351 |
| Operating transfers in | - | - | 205,578 | 694,260 |
| Operating transfers out | (62,049) | - | (600,000) | - |
| Total other financing sources (uses) | (62,049) | - | (223,323) | 697,611 |
| Net change in fund balances | (359,941) | 258,912 | (12,547) | 191,080 |
| Fund balances beginning of year | 791,822 | 81,553 | 501,827 | 779,005 |
| Fund balances end of year | \$ 431,881 | 340,465 | 489,280 | 970,085 |

See notes to financial statements.

| Nonmajor | Total |
|------------------|------------------|
| 32,211 | 2,014,611 |
| - | 14,344 |
| 14,531 | 2,814,275 |
| - | 14,894 |
| 1,645 | 203,993 |
| 13,139 | 54,773 |
| 5,943 | 92,533 |
| <u>67,469</u> | <u>5,209,423</u> |
| - | 582,787 |
| - | 254,743 |
| - | 617,916 |
| 16,495 | 616,675 |
| - | 2,242,896 |
| - | 250,908 |
| - | 646,839 |
| - | 280,420 |
| <u>16,495</u> | <u>5,493,184</u> |
| <u>50,974</u> | <u>(283,761)</u> |
| - | 174,450 |
| 59 | 899,897 |
| <u>(237,848)</u> | <u>(899,897)</u> |
| <u>(237,789)</u> | <u>174,450</u> |
| (186,815) | (109,311) |
| <u>662,788</u> | <u>2,816,995</u> |
| <u>475,973</u> | <u>2,707,684</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, 2009

Net change in fund balances - Total governmental funds (page 23) \$ (109,311)**Amounts reported for governmental activities in the Statement of Activities
are different because:**

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

| | | |
|---------------------------------|------------------|-----------|
| Expenditures for capital assets | \$ 351,233 | |
| Depreciation expense | <u>(599,747)</u> | (248,514) |

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.

3,043

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.

30,091

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 | 134,835 | |
| Compensated absences | <u>(7,798)</u> | 127,037 |

Change in net assets of governmental activities (page 17) \$ (197,654)

See notes to financial statements.

Ida County

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

Year ended June 30, 2009

| | Internal Service - Cafeteria Plan |
|------------------------------|--------------------------------------------|
| Operating revenues: | |
| None | \$ - |
| Operating expenses: | |
| None | - |
| Operating income | - |
| Transfer from Agency Fund | 1,962 |
| Net assets beginning of year | (1,962) |
| Net assets end of year | \$ - |

See notes to financial statements.

Ida County
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2009

Assets

| | |
|------------------------------|------------------|
| Cash and pooled investments: | |
| County Treasurer | \$ 631,721 |
| Other County officials | 17,218 |
| Receivables: | |
| Succeeding year property tax | 7,164,000 |
| Accounts | 17,347 |
| Accrued interest | 141 |
| Due from other governments | 21,960 |
| Total assets | <u>7,852,387</u> |

Liabilities

| | |
|-------------------------------|------------------|
| Accounts payable | 53,420 |
| Salaries and benefits payable | 6,677 |
| Due to other governments | 7,734,807 |
| Trusts payable | 10,539 |
| Compensated absences | 46,944 |
| Total liabilities | <u>7,852,387</u> |

| | |
|-------------------|--------------------|
| Net assets | <u><u>\$ -</u></u> |
|-------------------|--------------------|

See notes to financial statements.

Ida County

Notes to Financial Statements

June 30, 2009

(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, 2009 included five municipalities and the County. Ida County contributed \$409,781 and the

municipalities contributed \$545,984 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 Simpcoc.

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. During the fiscal year ended June 30, 2009, the Internal Service Fund was closed.

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 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.

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, 2007 assessed property valuations; is for the tax accrual period July 1, 2008 through June 30, 2009 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2008.

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

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

Capital Assets – Capital assets, which include property, equipment and vehicles, 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, 2009. 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 financial statements, long-term debt and other long-term obligations are reported as liabilities in the 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, 2009, disbursements did not exceed the amounts budgeted by function. However, disbursements in certain departments exceeded the amounts appropriated before the Board of Supervisors acted to increase appropriations.

(2) Cash and Pooled Investments

The County's deposits in banks at June 30, 2009 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 \$319,090 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, 2009 is as follows:

| Transfer to | Transfer from | Amount |
|--------------------------------------|--------------------------------------|-------------------|
| Special Revenue: | | |
| Secondary Roads | General | \$ 62,049 |
| | Special Revenue: | |
| | Rural Services | 600,000 |
| | Ida County Urban Renewal | 32,211 |
| | | <u>694,260</u> |
| County Recorder's Records Management | Recorders Electronic Transaction Fee | 59 |
| Rural Services | Landfill Closure/Postclosure | <u>205,578</u> |
| Total | | <u>\$ 899,897</u> |

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

(4) Capital Assets

Capital assets activity for the year ended June 30, 2009 was as follows:

| | Balance Beginning of Year | Increases | Decreases | Balance End of Year |
|---------------------------------------------|---------------------------------|----------------|------------------|---------------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 241,692 | - | - | 241,692 |
| Construction in progress | 720,183 | 101,972 | (720,183) | 101,972 |
| Total capital assets not being depreciated | <u>961,875</u> | <u>101,972</u> | <u>(720,183)</u> | <u>343,664</u> |
| Capital assets being depreciated: | | | | |
| Buildings | 1,486,755 | - | - | 1,486,755 |
| Equipment and vehicles | 4,433,981 | 214,386 | (389,763) | 4,258,604 |
| Infrastructure, road network | 5,857,427 | 760,796 | - | 6,618,223 |
| Total capital assets being depreciated | <u>11,778,163</u> | <u>975,182</u> | <u>(389,763)</u> | <u>12,363,582</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | 906,779 | 36,465 | - | 943,244 |
| Equipment and vehicles | 2,750,599 | 300,564 | (385,106) | 2,666,057 |
| Infrastructure, road network | 470,007 | 262,718 | - | 732,725 |
| Total accumulated depreciation | <u>4,127,385</u> | <u>599,747</u> | <u>(385,106)</u> | <u>4,342,026</u> |
| Total capital assets being depreciated, net | <u>7,650,778</u> | <u>375,435</u> | <u>(4,657)</u> | <u>8,021,556</u> |
| Governmental activities capital assets, net | <u>\$ 8,612,653</u> | <u>477,407</u> | <u>(724,840)</u> | <u>8,365,220</u> |

Depreciation expense was charged to the following functions:

| | |
|------------------------------------------------------|-----------------------------|
| Governmental activities: | |
| County environment and education | \$ 21,090 |
| Roads and transportation | 551,066 |
| Administration | 27,591 |
| | <u> </u> |
| Total depreciation expense - governmental activities | <u><u>\$ 599,747</u></u> |

(5) Due to Other Governments

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

| Fund | Description | Amount |
|----------------------------------|-------------|-----------------------------|
| General | Services | \$ 5,892 |
| Special Revenue: | | |
| Mental Health | Services | 82,141 |
| Secondary Roads | Services | 105 |
| | | <u>82,246</u> |
| Total for governmental funds | | <u><u>\$ 88,138</u></u> |
| Agency: | | |
| County Offices | Collections | \$ 8,206 |
| Agricultural Extension Education | | 110,445 |
| County Assessor | | 182,215 |
| Schools | | 5,017,396 |
| Community Colleges | | 309,098 |
| Corporations | | 1,498,926 |
| Townships | | 171,588 |
| Auto License and Use Tax | | 192,412 |
| All other | | 244,521 |
| | | <u> </u> |
| Total for agency funds | | <u><u>\$ 7,734,807</u></u> |

(6) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2009 is as follows:

| | Compen- sated Absences | Estimated Liability for Closure and Postclosure Care | Total |
|---------------------------|------------------------------|------------------------------------------------------------------|-----------------------------|
| Balance beginning of year | \$ 75,664 | 513,285 | 588,949 |
| Increases | 62,282 | - | 62,282 |
| Decreases | 54,484 | 134,835 | 189,319 |
| | <u> </u> | <u> </u> | <u> </u> |
| Balance end of year | \$ 83,462 | 378,450 | 461,912 |
| | <u> </u> | <u> </u> | <u> </u> |
| Due within one year | \$ 38,859 | 12,615 | 51,474 |
| | <u> </u> | <u> </u> | <u> </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 4.10% of their annual covered salary and the County is required to contribute 6.35% 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, 2009, 2008 and 2007 were \$126,634, \$117,826 and \$110,050, respectively, equal to the required contributions for each year.

(8) Risk Management

The 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 577 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, 2009 were \$139,582.

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 by The Travelers Insurance Company.

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, 2009, no liability has been recorded in the County's financial statements. As of June 30, 2009, 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) 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 \$378,450 for postclosure care as of June 30, 2009, and the portion of the liability that has been recognized is \$378,450. This amount is based on what it would cost to perform all postclosure care during the year ended June 30, 2009. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The Ida County Landfill closed during fiscal year 2008 at 100% capacity.

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, 2009, assets of \$420,949 are restricted for postclosure care. They are reported as restricted investments and accrued interest receivable in the Statement of Net Assets.

(10) Ida County Public Safety and Communications Commission

The County participates in the Ida County Public Safety and Communications Commission, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa. Financial transactions of this organization are included in the County's financial statements as part of the Other Agency Funds because of the County's fiduciary relationship with the organization. The following financial data is for the year ended June 30, 2009:

| Ida County Public Safety and Communications Commission | | | | | | | |
|-----------------------------------------------------------|-------------------------|------------------|-------------------------|-------------------|-------------------|------------|------------------|
| Operating | Confiscated Property | Sheriff's K-9 | Sheriff's Commissary | Sherrif's | | Total | |
| | | | | Reserve Deputy | Sheriff's DARE | | |
| Additions: | | | | | | | |
| Contributions from governmental units: | | | | | | | |
| Ida County | \$ 409,781 | - | - | - | - | - | 409,781 |
| Ida Grove | 264,182 | - | - | - | - | - | 264,182 |
| Holstein | 154,103 | - | - | - | - | - | 154,103 |
| Arthur | 24,777 | - | - | - | - | - | 24,777 |
| Galva | 31,449 | - | - | - | - | - | 31,449 |
| Battle Creek | 71,473 | - | - | - | - | - | 71,473 |
| | <u>955,765</u> | - | - | - | - | - | <u>955,765</u> |
| Prisoner fees: | | | | | | | |
| Boarding fees | 15,973 | - | - | - | - | - | 15,973 |
| Work release fees | 3,500 | - | - | - | - | - | 3,500 |
| Probation fees | 200 | - | - | - | - | - | 200 |
| Commissary fees | - | - | - | 699 | - | - | 699 |
| | <u>19,673</u> | - | - | <u>699</u> | - | - | <u>20,372</u> |
| Miscellaneous: | | | | | | | |
| Refunds | 25,396 | - | - | - | - | - | 25,396 |
| Donations | - | - | 199 | - | - | - | 199 |
| Miscellaneous | 6,271 | 1,388 | - | - | - | - | 7,659 |
| | <u>31,667</u> | <u>1,388</u> | <u>199</u> | - | - | - | <u>33,254</u> |
| Total additions | <u>1,007,105</u> | <u>1,388</u> | <u>199</u> | <u>699</u> | - | - | <u>1,009,391</u> |
| Deductions: | | | | | | | |
| Salaries and wages | 566,105 | - | - | - | - | - | 566,105 |
| Benefits | 183,679 | - | - | - | - | - | 183,679 |
| Iowa system rental | 3,123 | - | - | - | - | - | 3,123 |
| Postage and mailing | 1,931 | - | - | - | - | - | 1,931 |
| Office supplies | 8,072 | - | - | - | - | - | 8,072 |
| Mileage and subsistence | 1,913 | - | - | - | - | - | 1,913 |
| Education and training | 5,490 | - | - | - | - | - | 5,490 |
| Uniform allowance | 3,703 | - | - | - | - | - | 3,703 |
| Insurance | 30,048 | - | - | - | - | - | 30,048 |
| Equipment, supplies and maintenance | 96,270 | - | - | - | 180 | - | 96,450 |
| Motor vehicles | 83,893 | - | - | - | - | - | 83,893 |
| Motor vehicle supplies | 47,506 | - | - | - | - | - | 47,506 |
| Telephone and fax | 8,820 | - | - | - | - | - | 8,820 |
| Radio equipment repair and maintenance | 475 | - | - | - | - | - | 475 |
| Jail food and provisions | 12,688 | - | - | 275 | - | - | 12,963 |
| Jail supplies | 2,310 | - | - | - | - | - | 2,310 |
| Medical supplies | 569 | - | - | - | - | - | 569 |
| Improvements | 1,573 | - | - | - | - | - | 1,573 |
| K-9 supplies | - | - | 108 | - | - | - | 108 |
| Miscellaneous | 2,067 | - | - | - | 209 | 321 | 2,597 |
| Total deductions | <u>1,060,235</u> | - | <u>108</u> | <u>275</u> | <u>389</u> | <u>321</u> | <u>1,061,328</u> |
| Change in net assets | (53,130) | 1,388 | 91 | 424 | (389) | (321) | (51,937) |
| Balance beginning of year | 125,617 | 80 | 100 | 200 | 750 | 337 | 127,084 |
| Balance end of year | <u>\$ 72,487</u> | <u>1,468</u> | <u>191</u> | <u>624</u> | <u>361</u> | <u>16</u> | <u>75,147</u> |

(11) 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 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.

(12) Development Agreements and Establishment of Urban Renewal Area

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

In November 2006, the County entered into a private development agreement with Maple River Energy, LLC for construction of a 5 million-gallon per year biodiesel and soybean processing plant. The County agreed to provide a 100% abatement of Maple River Energy, LLC property tax for ten years. The County 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 100% abatement of Platinum Ethanol, LLC property tax 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. As of June 30, 2009, the County has incurred costs of \$554,254 related to the road improvement 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.

(13) Construction Commitment

During June 2009, the County entered into a construction contract totaling \$362,901 for the jail building expansion project. As of June 30, 2009, no costs have been incurred related to this contract.

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, 2009

| | Actual | Budgeted Amounts <u>Original/Final</u> | Final to Actual Variance |
|-----------------------------------------------------------------------------------------------------------------------|---------------------|----------------------------------------------|--------------------------------|
| Receipts: | | | |
| Property and other county tax | \$ 2,014,610 | 2,034,267 | (19,657) |
| Interest and penalty on property tax | 14,344 | 2,000 | 12,344 |
| Intergovernmental | 2,828,168 | 2,704,105 | 124,063 |
| Licenses and permits | 15,751 | 15,571 | 180 |
| Charges for service | 202,292 | 190,805 | 11,487 |
| Use of money and property | 71,348 | 69,630 | 1,718 |
| Miscellaneous | 100,200 | 45,500 | 54,700 |
| Total receipts | <u>5,246,713</u> | <u>5,061,878</u> | <u>184,835</u> |
| Disbursements: | | | |
| Public safety and legal services | 582,828 | 636,670 | 53,842 |
| Physical health and social services | 256,957 | 310,085 | 53,128 |
| Mental health | 675,729 | 704,638 | 28,909 |
| County environment and education | 625,167 | 870,976 | 245,809 |
| Roads and transportation | 2,373,724 | 2,375,000 | 1,276 |
| Governmental services to residents | 247,616 | 267,512 | 19,896 |
| Administration | 642,645 | 698,669 | 56,024 |
| Capital projects | 747,096 | 750,000 | 2,904 |
| Total disbursements | <u>6,151,762</u> | <u>6,613,550</u> | <u>461,788</u> |
| Excess (deficiency) of receipts over (under) disbursements | (905,049) | (1,551,672) | 646,623 |
| Other financing sources, net | 181,483 | 100 | 181,383 |
| Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses | (723,566) | (1,551,572) | 828,006 |
| Balance beginning of year | <u>3,139,975</u> | <u>2,763,982</u> | <u>375,993</u> |
| Balance end of year | <u>\$ 2,416,409</u> | <u>1,212,410</u> | <u>1,203,999</u> |

See accompanying independent auditor's report.

Ida County
 Budgetary Comparison Schedule - Budget to GAAP Reconciliation
 Required Supplementary Information
 Year ended June 30, 2009

| | Governmental Funds | | |
|------------------------------|--------------------|-----------------------------|------------------------------|
| | Cash Basis | Accrual Adjust- ments | Modified Accrual Basis |
| Revenues | \$ 5,246,713 | (37,290) | 5,209,423 |
| Expenditures | 6,151,762 | (658,578) | 5,493,184 |
| Net | (905,049) | 621,288 | (283,761) |
| Other financing sources, net | 181,483 | (7,033) | 174,450 |
| Beginning fund balances | 3,139,975 | (322,980) | 2,816,995 |
| Ending fund balances | \$ 2,416,409 | 291,275 | 2,707,684 |

See accompanying independent auditor's report.

Ida County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2009

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

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

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

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, 2009, disbursements did not exceed the amounts budgeted by function. However, disbursements in certain departments exceeded the amounts appropriated before the Board of Supervisors acted to increase appropriations.

Other Supplementary Information

Ida County
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2009

| | County Recorder's Records Management | County Government Assistance | Resource Enhancement and Protection |
|-------------------------------------------|-----------------------------------------------|------------------------------------|----------------------------------------------|
| Assets | | | |
| Cash and pooled investments | \$ 9,601 | 20,278 | 11,923 |
| Restricted cash and pooled investments | - | - | - |
| Receivables: | | | |
| Succeeding year property tax | - | - | - |
| Accrued interest | - | - | 26 |
| Prepaid insurance | - | - | 486 |
| Total assets | \$ 9,601 | 20,278 | 12,435 |
| Liabilities and Fund Equity | | | |
| Liabilities: | | | |
| Succeeding year property tax | \$ - | - | - |
| Fund equity: | | | |
| Fund balances: | | | |
| Reserved for closure and postclosure care | - | - | - |
| Unreserved | 9,601 | 20,278 | 12,435 |
| Total fund equity | 9,601 | 20,278 | 12,435 |
| Total liabilities and fund equity | \$ 9,601 | 20,278 | 12,435 |

See accompanying independent auditor's report.

| Special Revenue | | | | | | |
|----------------------------------------------|-------------------------------------|-----------------------------------|-----------------------------------------------|---------------------------------------------|--|---------|
| Confiscated Funds - County Attorney | Landfill Closure/ Postclosure | Ida County Urban Renewal | Recorders Electronic Transaction Fee | Public Health Services Enhancement | | Total |
| 4,052 | - | - | - | 8,658 | | 54,512 |
| - | 418,998 | - | - | - | | 418,998 |
| - | - | 109,000 | - | - | | 109,000 |
| - | 1,951 | - | - | - | | 1,977 |
| - | - | - | - | - | | 486 |
| 4,052 | 420,949 | 109,000 | - | 8,658 | | 584,973 |
| - | - | 109,000 | - | - | | 109,000 |
| - | 420,949 | - | - | - | | 420,949 |
| 4,052 | - | - | - | 8,658 | | 55,024 |
| 4,052 | 420,949 | - | - | 8,658 | | 475,973 |
| 4,052 | 420,949 | 109,000 | - | 8,658 | | 584,973 |

Ida County

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

Year ended June 30, 2009

| | County Recorder's Records Management | County Government Assistance | Resource Enhancement and Protection |
|----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------|----------------------------------------------|
| Revenues: | | | |
| Property and other county tax | \$ - | - | - |
| Intergovernmental | - | - | 14,235 |
| Charges for service | 1,645 | - | - |
| Use of money and property | - | - | - |
| Miscellaneous | - | - | 5,943 |
| Total revenues | 1,645 | - | 20,178 |
| Expenditures: | | | |
| Operating: | | | |
| County environment and education | - | - | 16,495 |
| Excess (deficiency) of revenues over (under) expenditures | 1,645 | - | 3,683 |
| Other financing sources (uses): | | | |
| Operating transfers in | 59 | - | - |
| Operating transfers out | - | - | - |
| Total other financing sources (uses) | 59 | - | - |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | 1,704 | - | 3,683 |
| Fund balances beginning of year | 7,897 | 20,278 | 8,752 |
| Fund balances end of year | \$ 9,601 | 20,278 | 12,435 |

See accompanying independent auditor's report.

| Special Revenue | | | | | | |
|----------------------------------------------|-------------------------------------|-----------------------------------|-----------------------------------------------|---------------------------------------------|---|-----------|
| Confiscated Funds - County Attorney | Landfill Closure/ Postclosure | Ida County Urban Renewal | Recorders Electronic Transaction Fee | Public Health Services Enhancement | | Total |
| - | - | 32,211 | - | - | - | 32,211 |
| 296 | - | - | - | - | - | 14,531 |
| - | - | - | - | - | - | 1,645 |
| - | 13,139 | - | - | - | - | 13,139 |
| - | - | - | - | - | - | 5,943 |
| 296 | 13,139 | 32,211 | - | - | - | 67,469 |
| - | - | - | - | - | - | 16,495 |
| 296 | 13,139 | 32,211 | - | - | - | 50,974 |
| - | - | - | - | - | - | 59 |
| - | (205,578) | (32,211) | (59) | - | - | (237,848) |
| - | (205,578) | (32,211) | (59) | - | - | (237,789) |
| 296 | (192,439) | - | (59) | - | - | (186,815) |
| 3,756 | 613,388 | - | 59 | 8,658 | - | 662,788 |
| 4,052 | 420,949 | - | - | 8,658 | - | 475,973 |

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

June 30, 2009

| | County Offices | Agricultural Extension Education | County Assessor | Schools |
|-------------------------------|-------------------|----------------------------------------|--------------------|------------------|
| Assets | | | | |
| Cash and pooled investments: | | | | |
| County Treasurer | \$ - | 1,445 | 53,299 | 62,396 |
| Other County officials | 17,218 | - | - | - |
| Receivables: | | | | |
| Succeeding year property tax | - | 109,000 | 135,000 | 4,955,000 |
| Accounts | 101 | - | 65 | - |
| Accrued interest | - | - | - | - |
| Due from other governments | - | - | - | - |
| Total assets | \$ 17,319 | 110,445 | 188,364 | 5,017,396 |
| Liabilities | | | | |
| Accounts payable | \$ - | - | 395 | - |
| Salaries and benefits payable | - | - | 392 | - |
| Due to other governments | 8,206 | 110,445 | 182,215 | 5,017,396 |
| Trusts payable | 9,113 | - | - | - |
| Compensated absences | - | - | 5,362 | - |
| Total liabilities | \$ 17,319 | 110,445 | 188,364 | 5,017,396 |

See accompanying independent auditor's report.

| Community Colleges | Corporations | Townships | Auto License and Use Tax | Other | Total |
|--------------------|------------------|----------------|--------------------------|----------------|------------------|
| 4,098 | 8,926 | 2,588 | 192,412 | 306,557 | 631,721 |
| - | - | - | - | - | 17,218 |
| 305,000 | 1,490,000 | 169,000 | - | 1,000 | 7,164,000 |
| - | - | - | - | 17,181 | 17,347 |
| - | - | - | - | 141 | 141 |
| - | - | - | - | 21,960 | 21,960 |
| 309,098 | 1,498,926 | 171,588 | 192,412 | 346,839 | 7,852,387 |
| - | - | - | - | 53,025 | 53,420 |
| - | - | - | - | 6,285 | 6,677 |
| 309,098 | 1,498,926 | 171,588 | 192,412 | 244,521 | 7,734,807 |
| - | - | - | - | 1,426 | 10,539 |
| - | - | - | - | 41,582 | 46,944 |
| 309,098 | 1,498,926 | 171,588 | 192,412 | 346,839 | 7,852,387 |

Ida County

Combining Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds

Year ended June 30, 2009

| | County Offices | Agricultural Extension Education | County Assessor | Schools |
|------------------------------------|-------------------|----------------------------------------|--------------------|-----------|
| Assets and Liabilities | | | | |
| Balances beginning of year | \$ 8,709 | 111,410 | 175,062 | 4,574,841 |
| Additions: | | | | |
| Property and other county tax | - | 103,171 | 138,024 | 4,957,438 |
| E911 surcharge | - | - | - | - |
| State tax credits | - | 6,011 | 7,733 | 259,671 |
| Drivers license fees | - | - | - | - |
| Office fees and collections | 169,578 | - | - | - |
| Auto licenses, use tax and postage | - | - | - | - |
| Trusts | 82,347 | - | - | - |
| Assessments | - | - | - | - |
| Miscellaneous | - | - | 429 | - |
| Total additions | 251,925 | 109,182 | 146,186 | 5,217,109 |
| Deductions: | | | | |
| Agency remittances: | | | | |
| To other funds | 118,293 | - | - | - |
| To other governments | 50,759 | 110,147 | 132,884 | 4,774,554 |
| Trusts paid out | 74,263 | - | - | - |
| Total deductions | 243,315 | 110,147 | 132,884 | 4,774,554 |
| Balances end of year | \$ 17,319 | 110,445 | 188,364 | 5,017,396 |

See accompanying independent auditor's report.

| Community Colleges | Corporations | Townships | Auto License and Use Tax | Other | Total |
|--------------------|--------------|-----------|--------------------------|-----------|------------|
| 296,423 | 1,507,915 | 197,937 | 172,122 | 289,774 | 7,334,193 |
| 304,551 | 1,484,819 | 138,338 | - | 1,019 | 7,127,360 |
| - | - | - | - | 88,786 | 88,786 |
| 16,999 | 84,753 | 8,980 | - | 70 | 384,217 |
| - | - | - | 22,358 | - | 22,358 |
| - | - | - | - | 29 | 169,607 |
| - | - | - | 2,072,185 | - | 2,072,185 |
| - | - | - | - | 19,760 | 102,107 |
| - | - | - | - | 6,560 | 6,560 |
| - | - | - | - | 1,077,779 | 1,078,208 |
| 321,550 | 1,569,572 | 147,318 | 2,094,543 | 1,194,003 | 11,051,388 |
| - | - | - | 78,405 | - | 196,698 |
| 308,875 | 1,578,561 | 173,667 | 1,995,848 | 1,120,566 | 10,245,861 |
| - | - | - | - | 16,372 | 90,635 |
| 308,875 | 1,578,561 | 173,667 | 2,074,253 | 1,136,938 | 10,533,194 |
| 309,098 | 1,498,926 | 171,588 | 192,412 | 346,839 | 7,852,387 |

Ida County

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

For the Last Nine Years

| | 2009 | 2008 | 2007 | Modified 2006 |
|--------------------------------------|---------------------|------------------|------------------|------------------|
| Revenues: | | | | |
| Property and other county tax | \$ 2,014,611 | 1,938,425 | 1,819,514 | 1,805,477 |
| Interest and penalty on property tax | 14,344 | 15,209 | 14,322 | 16,904 |
| Intergovernmental | 2,814,275 | 2,499,595 | 2,490,839 | 2,498,943 |
| Licenses and permits | 14,894 | 14,464 | 12,909 | 13,883 |
| Charges for service | 203,993 | 296,179 | 387,574 | 424,370 |
| Use of money and property | 54,773 | 178,595 | 235,173 | 190,666 |
| Fines, forfeitures and defaults | - | - | - | - |
| Miscellaneous | 92,533 | 102,631 | 245,039 | 18,408 |
| Total | \$ 5,209,423 | 5,045,098 | 5,205,370 | 4,968,651 |
| Expenditures: | | | | |
| Operating: | | | | |
| Public safety and legal services | \$ 582,787 | 568,539 | 551,562 | 519,155 |
| Physical health and social services | 254,743 | 233,244 | 234,664 | 360,158 |
| Mental health | 617,916 | 722,629 | 658,922 | 646,308 |
| County environment and education | 616,675 | 374,184 | 376,643 | 364,521 |
| Roads and transportation | 2,242,896 | 2,595,001 | 2,239,202 | 2,281,399 |
| Governmental services to residents | 250,908 | 217,704 | 233,356 | 250,304 |
| Administration | 646,839 | 621,533 | 711,761 | 607,036 |
| Capital projects | 280,420 | 1,175,003 | 3,465 | 197,100 |
| Total | \$ 5,493,184 | 6,507,837 | 5,009,575 | 5,225,981 |

See accompanying independent auditor's report.

| Accrual Basis | | | | |
|---------------|-----------|-----------|-----------|-----------|
| 2005 | 2004 | 2003 | 2002 | 2001 |
| 1,794,080 | 1,781,461 | 1,753,654 | 1,711,400 | 1,764,020 |
| 16,512 | 15,886 | 13,930 | 14,823 | 17,467 |
| 2,556,140 | 2,401,989 | 2,277,734 | 2,457,162 | 2,381,672 |
| 9,907 | 8,545 | 8,877 | 6,665 | 7,583 |
| 436,497 | 413,286 | 336,877 | 357,731 | 306,442 |
| 85,074 | 46,471 | 77,434 | 116,107 | 245,255 |
| - | - | - | 224 | 814 |
| 36,389 | 2,491 | 37,749 | 29,538 | 12,174 |
| 4,934,599 | 4,670,129 | 4,506,255 | 4,693,650 | 4,735,427 |
| 480,795 | 478,252 | 462,695 | 446,205 | 391,722 |
| 318,038 | 403,786 | 414,539 | 415,643 | 399,138 |
| 610,672 | 585,812 | 600,863 | 590,865 | 596,809 |
| 360,779 | 428,899 | 352,426 | 333,195 | 339,395 |
| 1,628,623 | 1,760,485 | 2,129,355 | 1,867,319 | 1,727,312 |
| 268,221 | 226,212 | 218,386 | 197,742 | 177,693 |
| 612,838 | 569,878 | 521,064 | 498,273 | 486,639 |
| 53,982 | 153,477 | 447,737 | 71,441 | 282,783 |
| 4,333,948 | 4,606,801 | 5,147,065 | 4,420,683 | 4,401,491 |

Ida County

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

Ida County



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

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

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

To the Officials of Ida County:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Ida County, Iowa, as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements listed in the table of contents, and have issued our report thereon dated March 9, 2010. 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

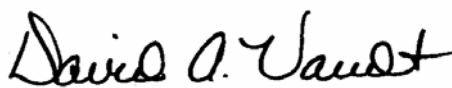
As part of obtaining reasonable assurance about whether Ida County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect 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. However, we noted certain immaterial instances of non-compliance or other matters that are described in the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2009 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.

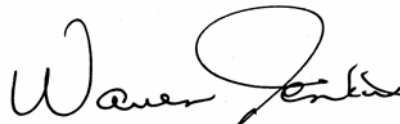
Ida County's responses to findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the County's responses, we did not audit Ida County's responses and, accordingly, we express no opinion on them.

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

March 9, 2010

Ida County

Schedule of Findings

Year ended June 30, 2009

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:

| | Applicable Offices |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| (1) A list of money and checks received is not prepared and compared to cash receipt records. | Sheriff |
| (2) Responsibilities for collection, deposit preparation and reconciliation functions are not segregated from those for recording and accounting for cash receipts. | Treasurer, Recorder, Sheriff and Ag Extension |
| (3) Investment custody and accounting functions are not segregated and evidence of 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.

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.

Ida County

Schedule of Findings

Year ended June 30, 2009

Recorder – We will try to segregate the responsibilities of cash collection, depositing and reconciliation.

Treasurer – (2) All employees help with all aspects of the duties listed. With so few employees, it is nearly impossible to do otherwise. Someone other than the person responsible for preparing a listing of funds received, checks it off at the end of the day to reconcile the daily print-out of funds taken in. (3) Members of Board of Supervisors are given copies of the investments and funds report each month.

Ag Extension – The Extension Council and the Regional Director initial and review the reports and documents, including checks and deposits. Will do our best to segregate duties with current staff.

Auditor – The County Auditor will have the Deputy Auditor reconcile the asset listing and it will be reviewed by the Board of Supervisors.

Conclusion –

Sheriff, Recorder, Ag Extension and Auditor - Responses accepted.

Treasurer – Response acknowledged. (3) Investment custody and accounting functions should be segregated and independent review of investment activity should be documented.

- (B) 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 use our own log-ins most of the time on the motor vehicle terminal. The tax terminal at the counter is logged in as “counter” and whom ever is ringing in receipts there uses that log-in. If we ring in transactions at our own desk, we use our own log-ins.

Conclusion – Response acknowledged. Personnel who share the same computer terminal should be required to log-on and log-off prior to other personnel entering transactions on the same terminal.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Ida County

Schedule of Findings

Year ended June 30, 2009

Other Findings Related to Required Statutory Reporting:

- (1) Certified Budget – Disbursements during the year ended June 30, 2009 did not exceed the amounts budgeted by function. However, disbursements in certain departments exceeded the amounts appropriated before the Board of Supervisors acted to increase 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 – The Board of Supervisors will authorize by resolution, to increase or decrease appropriations prior to exceeding the appropriation.

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).

Ida County

Schedule of Findings

Year ended June 30, 2009

- (9) Financial Assurance – Ida County has demonstrated financial assurance for 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 postclosure care is \$378,450. The balance at June 30, 2009 reserved for landfill postclosure care is \$420,949. Therefore, the postclosure care costs are fully funded at June 30, 2009.
- (10) County Extension Office – The Ida County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an Extension Council separate and distinct from County operations and , consequently, is not included in Exhibits A or B.

Disbursements during the year ended June 30, 2009 for the Ida County Extension Office exceeded the amount budgeted.

Recommendation – Disbursements should be reviewed periodically throughout the fiscal year to ensure the amount budgeted will not be exceeded.

Response – Fiscal year 2009 actual expenditures totaled \$148,746. Fiscal year 2009 approved budget amount was \$145,708. The budget was not amended before the end of the fiscal year to adjust the approved budget amount. With the announced restructuring of Iowa State University (ISU) Extension at the end of April 2009 and the elimination of the Ida County Extension Education Director, who in the past had monitored the budget, checks were written at the end of June that put the disbursements over the budgeted amount. We now have a new ISU Extension Regional Director who started his position August 1, 2009. He will assist and guide the Ida County Extension Council with a better understanding of the reports, including the monitoring of the budget to actual report, so this does not happen again.

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
Dan W. Henaman, Assistant Auditor
Joshua A. Pronk, Assistant Auditor

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

Andrew E. Nielsen, CPA
Deputy Auditor of State