



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

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Auditor of State

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**NEWS RELEASE**

**FOR RELEASE**

**March 7, 2003**

**Contact: Andy Nielsen**  
**515/281-5515**

The Office of Auditor of State today released an audit report on Ida County, Iowa.

The County had local tax revenue of \$8,468,522 for the year ended June 30, 2002, which included \$683,594 in tax credits from the state. The County forwarded \$6,608,975 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$1,859,547 of the local tax revenue to finance County operations, a three percent decrease from the prior year. Other revenues included \$2,139,448 from the state, including indirect federal funding, \$105,815 from direct federal grants and \$120,204 in interest on investments.

Expenditures for County operations totaled \$4,420,683, a less than one percent increase from the prior year. Expenditures included \$1,867,319 for roads and transportation, \$590,865 for mental health and \$498,273 for interprogram services.

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

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**IDA COUNTY**  
**INDEPENDENT AUDITOR'S REPORTS**  
**FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF FINDINGS**  
**JUNE 30, 2002**

## Table of Contents

		<u>Page</u>
Officials		3
Independent Auditor’s Report		5
General Purpose Financial Statements:	<u>Exhibit</u>	
Combined Balance Sheet – All Fund Types and Account Groups	A	8-11
Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types	B	13
Comparison of Receipts, Disbursements and Changes in Balances – Actual to Budget (Cash Basis) - All Governmental Fund Types	C	14-15
Combined Statement of Revenues, Expenses and Changes in Retained Earnings – Internal Service Funds	D	16
Combined Statement of Cash Flows – Internal Service Funds	E	17
Notes to Financial Statements		18-32
Supplemental Information:	<u>Schedule</u>	
General Fund:		
Statement of Revenues, Expenditures and Changes in Fund Balance	1	35-37
Statement of Expenditures	2	38-41
Special Revenue Funds:		
Combining Balance Sheet	3	42-43
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	4	44-53
Internal Service Funds:		
Combining Balance Sheet	5	54
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	6	55
Combining Statement of Cash Flows	7	56
Agency Funds:		
Combining Balance Sheet	8	58-61
Combining Statement of Changes in Assets and Liabilities	9	62-65
Comparison of Taxes and Intergovernmental Revenues	10	66
Independent Auditor’s Report on Compliance and on Internal Control over Financial Reporting		69-70
Schedule of Findings		71-76
Staff		77

## Ida County

### Officials

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

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**Independent Auditor's Report**

To the Officials of Ida County:

We have audited the accompanying general purpose financial statements, listed as exhibits in the table of contents of this report, of Ida County, Iowa, as of and for the year ended June 30, 2002. These general purpose financial statements are the responsibility of Ida County's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Ida County at June 30, 2002, and the results of its operations and the cash flows of its internal service funds for the year then ended in conformity with U.S. generally accepted accounting principles. Also, the Comparison of Receipts, Disbursements and Changes in Balances - Actual to Budget (Cash Basis) presents fairly, in all material respects, the cash transactions and the legally adopted budget of the governmental fund types and expendable trust fund of Ida County for the year ended June 30, 2002.

In accordance with Government Auditing Standards, we have also issued our report dated February 3, 2003 on our consideration of Ida County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the general purpose financial statements for the three years ended June 30, 2001 (none of which are presented herein) and expressed unqualified opinions on those financial statements. The supplemental information included in Schedules 1 through 10, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information, has been subjected to the auditing procedures applied in our audit of the aforementioned financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

February 3, 2003

**Ida County**



## **Financial Statements**

Ida County  
 Combined Balance Sheet  
 All Fund Types and Account Groups  
 June 30, 2002

	Governmental Fund Types	
	General	Special Revenue
<b>Assets and Other Debits</b>		
Cash and pooled investments:		
County Treasurer	\$ 945,592	2,816,342
Other County officials	-	-
Receivables:		
Property tax:		
Delinquent	355	-
Succeeding year	1,192,000	568,000
Interest and penalty on property tax	911	-
Accounts	25,581	17,346
Accrued interest	7,094	331
Special assessments	-	-
Due from other funds (note 3)	21,653	153
Due from other governments	36,864	130,967
Inventories	-	278,668
Prepaid insurance	54,725	29,828
Property and equipment (note 4)	-	-
Amount available for landfill closure and postclosure care costs	-	-
Amount to be provided for retirement of general long-term debt	-	-
<b>Total assets and other debits</b>	<b>\$ 2,284,775</b>	<b>3,841,635</b>

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
		General Fixed Assets	General Long-Term Debt	
219,854	492,589	-	-	4,474,377
-	27,561	-	-	27,561
-	3,174	-	-	3,529
-	6,071,000	-	-	7,831,000
-	-	-	-	911
-	14,465	-	-	57,392
403	421	-	-	8,249
-	42,841	-	-	42,841
-	529	-	-	22,335
-	1,964	-	-	169,795
-	-	-	-	278,668
-	-	-	-	84,553
-	-	5,896,165	-	5,896,165
-	-	-	278,443	278,443
-	-	-	95,527	95,527
<b>220,257</b>	<b>6,654,544</b>	<b>5,896,165</b>	<b>373,970</b>	<b>19,271,346</b>

Ida County  
 Combined Balance Sheet  
 All Fund Types and Account Groups  
 June 30, 2002

	Governmental Fund Types	
	General	Special Revenue
<b>Liabilities, Fund Equity and Other Credits</b>		
Liabilities:		
Accounts payable	\$ 15,243	91,264
Salaries and benefits payable	4,888	9,423
Due to other funds (note 3)	-	886
Due to other governments (note 5)	5,091	59,833
Trusts payable	-	-
Deferred revenue:		
Succeeding year property tax	1,192,000	568,000
Other	15,695	7,059
Compensated absences	6,580	13,070
Estimated liability for landfill closure and postclosure care costs (note 11)	-	-
<b>Total liabilities</b>	<b>1,239,497</b>	<b>749,535</b>
Fund equity and other credits:		
Investment in general fixed assets	-	-
Unreserved retained earnings	-	-
Fund balances:		
Reserved for:		-
Inventories	-	278,668
Prepaid insurance	54,725	29,828
Medicaid contingencies	680	-
Landfill closure and postclosure care costs	-	278,443
Unreserved:		
Designated for conservation equipment	16,730	-
Undesignated	973,143	2,505,161
<b>Total fund equity and other credits</b>	<b>1,045,278</b>	<b>3,092,100</b>
<b>Total liabilities, fund equity and other credits</b>	<b>\$ 2,284,775</b>	<b>3,841,635</b>

See notes to financial statements.

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
		General Fixed Assets	General Long-Term Debt	
Internal Service	Agency			
3,370	34,894	-	-	144,771
-	809	-	-	15,120
-	21,449	-	-	22,335
-	6,551,692	-	-	6,616,616
-	2,536	-	-	2,536
-	-	-	-	1,760,000
-	-	-	-	22,754
-	43,164	-	50,946	113,760
-	-	-	323,024	323,024
3,370	6,654,544	-	373,970	9,020,916
-	-	5,896,165	-	5,896,165
216,887	-	-	-	216,887
-	-	-	-	278,668
-	-	-	-	84,553
-	-	-	-	680
-	-	-	-	278,443
-	-	-	-	16,730
-	-	-	-	3,478,304
216,887	-	5,896,165	-	10,250,430
220,257	6,654,544	5,896,165	373,970	19,271,346

**Ida County**

Ida County

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

Year ended June 30, 2002

	Governmental Fund Types		Total (Memorandum Only)
	General	Special Revenue	
<b>Revenues:</b>			
Property and other County tax	\$ 1,137,134	574,266	1,711,400
Interest and penalty on property tax	14,823	-	14,823
Intergovernmental	403,162	2,054,000	2,457,162
Licenses and permits	6,550	115	6,665
Charges for service	220,118	137,613	357,731
Use of money and property	109,129	6,978	116,107
Fines, forfeitures and defaults	224	-	224
Miscellaneous	7,099	22,439	29,538
<b>Total revenues</b>	<b>1,898,239</b>	<b>2,795,411</b>	<b>4,693,650</b>
<b>Expenditures:</b>			
<b>Operating:</b>			
Public safety	424,451	-	424,451
Court services	21,754	-	21,754
Physical health and education	234,459	22,500	256,959
Mental health	-	590,865	590,865
Social services	173,684	-	173,684
County environment	123,254	194,941	318,195
Roads and transportation	-	1,867,319	1,867,319
State and local government services	191,767	5,975	197,742
Interprogram services	498,273	-	498,273
Capital projects	-	71,441	71,441
<b>Total expenditures</b>	<b>1,667,642</b>	<b>2,753,041</b>	<b>4,420,683</b>
<b>Excess of revenues over expenditures</b>	<b>230,597</b>	<b>42,370</b>	<b>272,967</b>
<b>Other financing sources (uses):</b>			
Sale of general fixed assets	411	12,924	13,335
Solid waste alternative program note proceeds	-	5,870	5,870
Operating transfers in	-	689,114	689,114
Operating transfers out	(59,736)	(629,378)	(689,114)
<b>Total other financing sources (uses)</b>	<b>(59,325)</b>	<b>78,530</b>	<b>19,205</b>
<b>Excess of revenues and other financing sources over expenditures and other financing uses</b>	<b>171,272</b>	<b>120,900</b>	<b>292,172</b>
<b>Fund balances beginning of year</b>	<b>857,017</b>	<b>2,932,189</b>	<b>3,789,206</b>
<b>Increase in reserve for:</b>			
Inventories	-	32,466	32,466
Medicaid contingencies	37	-	37
Prepaid insurance	16,952	6,545	23,497
<b>Fund balances end of year</b>	<b>\$ 1,045,278</b>	<b>3,092,100</b>	<b>4,137,378</b>

See notes to financial statements.

**Exhibit C**

## Ida County

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

Year ended June 30, 2002

	<u>Actual</u>
Receipts:	
Property and other County tax	\$ 1,711,520
Interest and penalty on property tax	15,131
Intergovernmental	2,422,049
Licenses and permits	6,063
Charges for service	348,544
Use of money and property	148,649
Fines, forfeitures and defaults	224
Miscellaneous	29,913
Total receipts	<u>4,682,093</u>
Disbursements:	
Public safety	422,797
Court services	20,869
Physical health and education	273,121
Mental health	570,132
Social services	173,797
County environment	314,651
Roads and transportation	1,847,087
State and local government services	197,348
Interprogram services	505,950
Capital projects	223,495
Total disbursements	<u>4,549,247</u>
Excess (deficiency) of receipts over (under) disbursements	132,846
Other financing sources, net	<u>34,248</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	167,094
Balance beginning of year	<u>3,594,840</u>
Balance end of year	<u><u>\$ 3,761,934</u></u>

See notes to financial statements.



Amended Budget	Variance - Favorable (Unfavorable)	Actual as % of Amended Budget
1,718,910	(7,390)	100%
5,000	10,131	303%
2,347,271	74,778	103%
10,000	(3,937)	61%
303,461	45,083	115%
117,690	30,959	126%
3,000	(2,776)	7%
19,000	10,913	157%
<u>4,524,332</u>	<u>157,761</u>	<u>103%</u>
450,352	27,555	94%
40,450	19,581	52%
281,355	8,234	97%
658,293	88,161	87%
226,268	52,471	77%
378,333	63,682	83%
2,155,668	308,581	86%
206,825	9,477	95%
575,908	69,958	88%
555,000	331,505	40%
<u>5,528,452</u>	<u>979,205</u>	<u>82%</u>
(1,004,120)		
<u>500</u>		
(1,003,620)		
<u>2,810,976</u>		
<u>1,807,356</u>		

**Exhibit D**

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## Ida County

## Combined Statement of Revenues, Expenses and Changes In Retained Earnings

## Internal Service Funds

Year ended June 30, 2002

## Operating revenues:

## Charges for service:

Reimbursement from operating funds	\$ 25,238	
Employee plan contributions	14,504	
Miscellaneous	<u>60</u>	\$ 39,802

## Operating expenses:

Health claims	13,352	
Plan benefit reimbursements to employees	<u>14,830</u>	<u>28,182</u>

Operating income 11,620

## Non-operating revenues:

Interest on investments		<u>5,673</u>
Net income		17,293

Retained earnings beginning of year 199,594

Retained earnings end of year \$ 216,887

See notes to financial statements.

Ida County  
Combined Statement of Cash Flows  
Internal Service Funds  
Year ended June 30, 2002

Cash flows from operating activities:	
Cash received from operating funds	\$ 25,238
Cash received from employees	14,830
Cash received from miscellaneous receipts	60
Cash paid for health claims	(13,352)
Cash paid for plan benefit reimbursements to employees	(14,830)
Net cash provided by operating activities	<u>11,946</u>
Cash flows from investing activities:	
Interest on investments	<u>6,148</u>
Net increase in cash and cash equivalents	18,094
Cash and cash equivalents at beginning of year	<u>201,760</u>
Cash and cash equivalents at end of year	<u><u>\$ 219,854</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 11,620
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in accounts payable	<u>326</u>
Net cash provided by operating activities	<u><u>\$ 11,946</u></u>

See notes to financial statements.

Ida County  
Notes to Financial Statements

June 30, 2002

**(1) Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

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

Joint Venture - Ida County is a member of the Ida County Public Safety and Communications Commission established pursuant to Chapter 28E of the Code of Iowa. The Commission plans for County-wide law enforcement and communications within the boundaries of Ida County, Iowa, including all rural areas and participating municipalities. The Commission also can contract with any and all public agencies who wish to enter into contracts with the Commission for the provision of law enforcement, communications, and all public safety services. The Commission will furnish law enforcement services, emergency communications, and such other services as may be necessary to protect the rights and property of all citizens of any public agency contracting with the Commission. The board is composed of the three representatives selected by and from the Ida County Board of Supervisors and one representative selected by each participating municipality. The Commission is funded primarily by assessments made against each participating member. The County's participating share cannot be less than 45 percent of the annual budget. The County has an ongoing financial responsibility to the Commission for its continued existence. Membership in the Commission for the year ended June 30, 2002 included four municipalities and the County. Ida County contributed \$285,813 and the municipalities contributed \$341,629 to support the Commission. Financial transactions of the Commission are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in an Agency Fund of the County.

Jointly Governed Organizations - The County participates in several jointly governed organizations for which the County is not financially accountable or that the nature and significance of the relationship with the County are such that exclusion does not cause the County's financial statements to be misleading or incomplete. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Ida County Assessor's Conference Board, Ida County Emergency Management Commission and the Ida County E911 Service Board. Financial transactions of these organizations are also included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in an Agency Fund of the County.

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

#### B. Fund Accounting

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

##### Governmental Funds

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

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

##### Proprietary Fund

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

##### Fiduciary Funds

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

### Account Groups

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

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

### C. Measurement Focus

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

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

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

### D. Basis of Accounting

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

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

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

All Proprietary Funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred.

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

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

E. Assets, Liabilities and Fund Equity

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

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

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

Property Tax Receivable - Property tax in governmental fund types are accounted for using the modified accrual basis of accounting.

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2000 assessed property valuations; is for the tax accrual period July 1, 2001 through June 30, 2002 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March, 2001.

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

Special Assessments Receivable - Assessments receivable represent the amounts due from individuals for work done which benefits their property.

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

Due from and Due to Other Funds - During the course of its operations, the County has numerous transactions between funds. To the extent that certain transactions between funds had not been paid or received as of June 30, 2002, balances of interfund amounts receivable or payable have been recorded.

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

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

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

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

During the year ended June 30, 2002, no interest costs were capitalized since the County's policy is not to capitalize interest costs on assets constructed or acquired with tax-exempt debt paid for from annual debt service tax levies.

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

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

Deferred Revenue - Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the



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

Compensated Absences - County employees accumulate a limited amount of earned but unused vacation and compensatory time hours for subsequent use or for payment upon termination, death or retirement. For the Agency Funds, these accumulations are recorded as liabilities in the year earned. In the Governmental Funds, the cost of vacation and compensatory time payments expected to be liquidated currently are recorded as liabilities of the Governmental Fund. A liability has been recorded in the General Long-Term Debt Account Group representing the County's commitment to fund non-current compensated absences. The compensated absences liability has been computed based on current rates of pay in effect at June 30, 2002.

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

#### F. Budgets and Budgetary Accounting

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

Formal and legal budgetary control is based upon 12 major classes of expenditures known as service areas, not by fund or fund type. These 12 service areas are: public safety, court services, physical health and education, mental health, social services, county environment, roads and transportation, state and local government services, interprogram services, non-program, debt service and capital projects. Service area disbursements required to be budgeted include disbursements for the general fund, special revenue funds and the expendable trust fund. Although the budget document presents service area disbursements by fund, the legal level of control is at the aggregated service area level, not at the fund or fund type level. Legal budgetary control is also based upon the appropriation to each office or department.

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

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

	Governmental Fund Types					
	General			Special Revenue		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$1,900,214	(1,975)	1,898,239	2,781,879	13,532	2,795,411
Expenditures	1,687,809	(20,167)	1,667,642	2,861,438	(108,397)	2,753,041
Net	212,405	18,192	230,597	(79,559)	121,929	42,370
Other financing sources (uses)	(60,211)	886	(59,325)	94,459	(15,929)	78,530
Beginning fund balances	793,398	63,619	857,017	2,801,442	130,747	2,932,189
Increase in reserve for:						
Inventories	-	-	-	-	32,466	32,466
Medicaid contingencies	-	37	37	-	-	-
Prepaid insurance	-	16,952	16,952	-	6,545	6,545
Ending fund balances	\$ 945,592	99,686	1,045,278	2,816,342	275,758	3,092,100

	Total		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	4,682,093	11,557	4,693,650
Expenditures	4,549,247	(128,564)	4,420,683
Net	132,846	140,121	272,967
Other financing sources (uses)	34,248	(15,043)	19,205
Beginning fund balances	3,594,840	194,366	3,789,206
Increase in reserve for:			
Inventories	-	32,466	32,466
Medicaid contingencies	-	37	37
Prepaid insurance	-	23,497	23,497
Ending fund balances	3,761,934	375,444	4,137,378

**G. Total (Memorandum Only)**

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

**(2) Cash and Pooled Investments**

The County's deposits in banks at June 30, 2002 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.

**(3) Due From and Due to Other Funds**

The detail of interfund receivables and payables at June 30, 2002 is as follows:

Receivable Fund	Payable Fund	Amount
General	Special Revenue: Secondary Roads	\$ 886
	Agency: County Recorder	10,563
	County Sheriff	5,817
	Auto License and Use Tax	4,387
Special Revenue: County Recorder's Records Management	Agency: County Recorder	153
Agency: Public Safety and Communications Commission - Confiscated Property	County Sheriff	529
Total		\$ 22,335

**(4) Property and Equipment**

A summary of property and equipment comprising general fixed assets for the year ended June 30, 2002 is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Land	\$ 270,483	-	-	270,483
Buildings	1,557,408	-	-	1,557,408
Equipment	3,965,314	292,963	190,003	4,068,274
	\$5,793,205	292,963	190,003	5,896,165

**(5) Due to Other Governments**

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

Fund	Description	Amount
General	Services	\$ 5,091
Special Revenue:		
Rural Services	Services	85
Mental Health		59,748
		<u>59,833</u>
Agency:		
County Assessor	Collections	173,631
Schools		4,328,502
Community Colleges		324,757
Corporations		1,207,117
Auto License and Use Tax		147,151
Public Safety and Communications		
Commission		6,098
E911 Surcharge		85,174
All other		279,262
		<u>6,551,692</u>
Total		<u>\$ 6,616,616</u>

**(6) Changes in Long-Term Debt**

A summary of changes in long-term debt for the year ended June 30, 2002 is as follows:

	Compensated Absences	Estimated Liability for Closure and Postclosure Care Costs	Total
Balance beginning of year	\$ 40,676	257,858	298,534
Additions	10,270	65,166	75,436
Balance end of year	<u>\$ 50,946</u>	<u>323,024</u>	<u>373,970</u>

**(7) Pension and Retirement Benefits**

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

Plan members are required to contribute 3.70% of their annual covered salary and the County is required to contribute 5.75% of annual covered payroll except for law enforcement employees, in which case the percentages are 5.50% and 8.25%,

respectively. Contribution requirements are established by state statute. The County's contribution to IPERS for the years ended June 30, 2002, 2001, and 2000 were \$100,689, \$96,410 and \$96,311 respectively, equal to the required contributions for each year.

**(8) Risk Management**

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

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

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

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's annual contributions to the Pool for the year ended June 30, 2002 were \$79,074.

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

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2002, no liability has been recorded in the County's financial

statements. As of June 30, 2002 settled claims have not exceeded the risk pool or reinsurance company coverage since the Pool's inception.

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

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

**(9) Employee Group Health Benefit Plan**

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

Monthly payments of service fees and plan contributions are recorded as expenditures in the operating funds at the time of payment from the operating funds to the Internal Service Fund administered by the County Auditor. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Wellmark from the Internal Service Fund. The County's contribution to the fund for the year ended June 30, 2002 was \$25,238.

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

Amounts payable from the Employee Health Insurance Fund at June 30, 2002 is estimated at \$3,000, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior-year and current-year claims, and to establish a reserve for catastrophic losses. That reserve was \$217,257 at June 30, 2002 and is reported as a designation of the Employee Health Insurance Fund retained earnings. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement Number 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. Information on a reconciliation of changes in the aggregate liabilities for claims for the current year is as follows:

Unpaid claims at July 1, 2001	\$ 3,000
Incurred claims (including claims incurred but not reported as of June 30, 2002)	13,352
Payments on claims during the year	<u>(13,352)</u>
Unpaid claims at June 30, 2002	<u><u>\$ 3,000</u></u>

**(10) Cafeteria Plan**

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

**(11) Closure and Postclosure Care Costs**

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

Governmental Accounting Standards Board Statement Number 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 would 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 would be required to be updated annually for changes due to inflation or deflation, technology, or applicable laws or regulations.

The total costs for the County Landfill have been estimated at \$515,813 as of June 30, 2002 and the portion of the liability that has been recognized is \$323,024. This liability represents the cumulative amount reported to date based on the use of approximately 63% percent of the capacity of the landfill with a remaining life of 5.67 years. A provision for the above liability has been made on the County's balance sheet as of June 30, 2002. The County has begun to accumulate resources to fund these costs and at June 30, 2002, deposits of \$278,443 were held in the Special Revenue, Sanitary Landfill Closure/Postclosure Trust Fund.

**(12) Solid Waste Tonnage Fees Retained**

Chapter 455B.310 of the Code of Iowa establishes a tonnage fee of four dollars and twenty-five cents per ton of solid waste. The Sanitary landfill operator shall retain ninety-five cents of the tonnage fee to be used as described in the following paragraph and can retain an additional thirty-five cents of the tonnage fee as described below if an updated comprehensive plan has been approved for the County. The remainder of the tonnage fee is remitted to the Iowa Department of Natural Resources on a quarterly basis.

The County has established an account for restricting and using solid waste tonnage fees retained by the County in accordance with Chapter 455B.310 of the Code of Iowa. As required by the Code of Iowa, fifty cents per ton of the solid waste tonnage fee must be used for the following: (1) development and implementation of an approved comprehensive plan, (2) development of a closure or postclosure care plan, (3) development of a plan for the control and treatment of leachate which may include a facility plan or detailed plans and specifications, and (4) preparation of a financial plan. Forty-five cents per ton of the tonnage fee shall be disbursed to a city, county, or public agency using the sanitary disposal project for the purpose of implementation of waste volume reduction and recycling required by the County's approved comprehensive plan. The fees retained may also be used for other environmental protection and environmental compliance activities.

An updated comprehensive plan was approved by the Department of Natural Resources allowing the County to retain an additional thirty-five cents per ton of the tonnage fee. The thirty-five cents per ton of the tonnage fee shall be used for waste reduction, recycling, or small business pollution prevention purposes.

As of June 30, 2002, the County had no unspent amounts retained or restricted for the required purposes.

**(13) Joint Venture**

Ida County participates in the Ida County Public Safety and Communications Commission, a joint venture formed pursuant to the provisions of Chapter 28E of the Code of Iowa. Financial transactions of this organization are included in the County's financial statements as an Agency Fund because of the County's fiduciary relationship with the organization. The following financial data is for the year ended June 30, 2002:

	<u>Public Safety and Communications Commission</u>		
	<u>Confiscated</u>		
	<u>Operating</u>	<u>Property</u>	<u>Total</u>
Additions:			
Contributions from governmental units:			
Ida County	\$ 285,813	-	285,813
Ida Grove	179,945	-	179,945
Holstein	110,563	-	110,563
Arthur	20,747	-	20,747
Galva	30,374	-	30,374
	<u>627,442</u>	<u>-</u>	<u>627,442</u>



	Public Safety and Communications Commission		
	Operating	Confiscated Property	Total
Additions (continued):			
Miscellaneous:			
Gas tax refunds	3,985	-	3,985
Communications Center reimbursements:			
Arthur	410	-	410
Galva	601	-	601
Battle Creek	13,476	-	13,476
Ida Grove	3,265	-	3,265
Holstein	2,111	-	2,111
Jail phone fees	609	-	609
Prisoner boarding fees	6,111	-	6,111
Miscellaneous	401	1,414	1,815
	<u>30,969</u>	<u>1,414</u>	<u>32,383</u>
Total additions	<u>658,411</u>	<u>1,414</u>	<u>659,825</u>
Deductions:			
Salaries and wages	375,369	-	375,369
Benefits	180,254	-	180,254
Worker's compensation insurance	3,905	-	3,905
Postage and mailing	412	-	412
Office supplies	7,331	-	7,331
Mileage and subsistence	72	-	72
Education and training	6,567	-	6,567
Uniform allowance	1,545	-	1,545
Insurance	1,673	-	1,673
Equipment maintenance and repair	5,807	-	5,807
Motor vehicles and equipment	15,563	-	15,563
Motor vehicle supplies	22,975	-	22,975
Telephone and fax	11,550	-	11,550
Radio equipment repair and maintenance	5,298	-	5,298
Investigations	826	500	1,326
Jail food and provisions	10,300	-	10,300
Jail supplies	1,369	-	1,369
Medical	2,123	-	2,123
Communications Center improvements	12,291	-	12,291
Miscellaneous	992	-	992
Total deductions	<u>666,222</u>	<u>500</u>	<u>666,722</u>
Net	(7,811)	914	(6,897)
Balance beginning of year	<u>87,516</u>	<u>3,954</u>	<u>91,470</u>
Balance end of year	<u>\$ 79,705</u>	<u>4,868</u>	<u>84,573</u>

**(14) Solid Waste Alternatives Program Note**

Ida County entered into a Solid Waste Alternatives Program contract and loan agreement with the Iowa Department of Natural Resources (Department) dated, April 17, 2001, for \$67,562. The contract agreement is for the purpose of development and implementation of an extensive public awareness and education program associated with a county ordinance banning recyclables from the landfill. The loan consists of a \$36,437 forgivable loan and a \$31,125 no interest conventional loan. Repayment of the conventional loan is to be made in 20 equal quarterly payments of \$1,556, with the first payment due on October 15, 2001. The no interest conventional repayment schedule can be amended based on the amount of proceeds received on the no interest conventional loan. The conditions of the forgivable loan must be met by April 1, 2003. Through June 30, 2002, the County expended \$34,870 and claimed and received forgivable loan proceeds of \$26,153 (75%) from the Department. During the year June 30, 2002, the County received forgivable loan proceeds of \$5,870. The County's liability for repayment of the interest free conventional loan is limited to the proceeds received from the Department in excess of the forgivable loan. Therefore, there is no liability for the interest free conventional loan at June 30, 2002.

**(15) Deficit Fund Balance**

The Internal Service, Cafeteria Plan Fund had a deficit balance of \$370 at June 30, 2002. According to the plan, reimbursements may be made to employees before the employee's total contribution is made. The County believes that the deficit will be eliminated in future years as employees forfeit unused amounts at the end of each plan year.

## **Supplemental Information**

**Ida County**

## Ida County

## General Fund

## Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended June 30, 2002

## Revenues:

## Property and other County tax:

Property tax	\$ 1,097,255	
Utility tax replacement excise tax	38,559	
Other	<u>1,320</u>	\$ 1,137,134

## Interest and penalty on property tax

14,823

## Intergovernmental:

## State shared revenues:

Franchise tax	33,231	
Liquor licenses	<u>618</u>	
	<u>33,849</u>	

## State grants and reimbursements including indirect federal funding:

Home care aide grant	34,243	
Public health nurse grants	12,569	
Human services administration reimbursement	11,586	
Well testing and abandonment	15,050	
Other	<u>77,856</u>	
	<u>151,304</u>	

## State tax replacements:

State tax credits	<u>101,722</u>	
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## Direct federal grants and entitlements:

Medicare and medicaid	<u>105,815</u>	
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## Contributions and reimbursements from other governmental units

<u>10,472</u>	403,162
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**Schedule 1**

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Ida County  
General Fund

## Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended June 30, 2002

Revenues (continued):		
Licenses and permits		6,550
Charges for service:		
Office fees and collections	63,003	
Auto registration, use tax and mailing	57,851	
Recreation fees	35,025	
Health fees	63,433	
Other	806	220,118
Use of money and property:		
Interest on investments	107,929	
Other	1,200	109,129
Fines, forfeitures and defaults:		
County ordinance fines		224
Miscellaneous		7,099
Total revenues		<u>1,898,239</u>
Expenditures:		
Operating:		
Public safety		424,451
Court services		21,754
Physical health and education		234,459
Social services		173,684
County environment		123,254
State and local government services		191,767
Interprogram services		498,273
Total expenditures		<u>1,667,642</u>
Excess of revenues over expenditures		230,597

## Ida County

## General Fund

## Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended June 30, 2002

Other financing sources (uses):	
Sale of general fixed assets	411
Operating transfers out:	
Special Revenue:	
Secondary Roads	<u>(59,736)</u>
Total other financing sources (uses)	<u>(59,325)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	171,272
Fund balance beginning of year	857,017
Increase in reserve for:	
Medicaid contingencies	37
Prepaid insurance	<u>16,952</u>
Fund balance end of year	<u>\$ 1,045,278</u>

See accompanying independent auditor's report.

**Schedule 2**

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Ida County

General Fund

Statement of Expenditures

Year ended June 30, 2002

Public Safety Service Area:

Law enforcement:

Investigations	\$ 962	
Unified law enforcement	285,813	
	<u>286,775</u>	

Legal services:

Criminal prosecution	92,318	
Medical examinations	3,695	
	<u>96,013</u>	

Emergency services:

Ambulance services	25,990	
Emergency management	15,673	
	<u>41,663</u>	\$ 424,451

Court Services Service Area:

Assistance to judges and magistrates:

Physical operations	392	
Research and other assistance	6,144	
	<u>6,536</u>	

Court proceedings:

Detention services	1,565	
Court costs	1,559	
Service of civil papers	223	
	<u>3,347</u>	

Juvenile justice administration:

Juvenile victim restitution	11,450	
Court-appointed attorneys and court costs for juveniles	421	
	<u>11,871</u>	21,754



Ida County  
General Fund  
Statement of Expenditures  
Year ended June 30, 2002

Physical Health and Education Service Area:		
Physical health services:		
Personal and family health services	52,287	
Communicable disease prevention and control services	2,638	
Sanitation	26,987	
Health administration	137,547	
	<u>219,459</u>	
Educational services:		
Fair and 4-H clubs	15,000	234,459
	<u>15,000</u>	
Social Services Service Area:		
Services to the poor:		
Administration	13,126	
General welfare services	3,370	
	<u>16,496</u>	
Services to military veterans:		
Administration	5,855	
General services to veterans	3,604	
	<u>9,459</u>	
Children and family services:		
Family protection services	3,634	
	<u>3,634</u>	
Services to other adults:		
Services to the elderly	140,595	
Other social services	3,500	
	<u>144,095</u>	173,684

**Schedule 2**

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Ida County

General Fund

Statement of Expenditures

Year ended June 30, 2002

County Environment Service Area:

Conservation and recreation services:

Administration	86,877	
Maintenance and operations	<u>36,214</u>	
	123,091	

Animal control:

Animal bounties and state apiarist expenses	<u>163</u>	123,254
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State and Local Government Services

Service Area:

Representation services:

Elections administration	42,529	
Local elections	2,972	
Township officials	<u>2,005</u>	
	<u>47,506</u>	

State administrative services:

Motor vehicle registrations and licensing	60,100	
Recording of public documents	<u>84,161</u>	
	<u>144,261</u>	191,767

Interprogram Services Service Area:

Policy and administration:

General County management	102,037	
Administrative management services	78,444	
Treasury management services	69,385	
Other policy and administration	<u>28,158</u>	
	<u>278,024</u>	

Ida County  
General Fund  
Statement of Expenditures  
Year ended June 30, 2002

Interprogram Services Service Area (continued):

Central services:

General services

118,206

Data processing services

31,454

149,660

Risk management services:

Tort liability

42,305

Safety in the workplace

28,284

70,589

498,273

Total

\$ 1,667,642

See accompanying independent auditor's report.

Ida County  
Special Revenue Funds  
Combining Balance Sheet  
June 30, 2002

	Mental Health	Rural Services	Secondary Roads
<b>Assets</b>			
Cash and pooled investments	\$ 632,613	810,405	959,850
Receivables:			
Succeeding year property tax	-	568,000	-
Accounts	-	17,323	23
Accrued interest	-	-	-
Due from other funds	-	-	-
Due from other governments	-	5,241	125,726
Inventories	-	-	278,668
Prepaid insurance	-	7,592	22,236
	\$ 632,613	1,408,561	1,386,503
<b>Liabilities and Fund Equity</b>			
Liabilities:			
Accounts payable	\$ 25,001	3,982	62,281
Salaries and benefits payable	-	708	8,715
Due to other funds	-	-	886
Due to other governments	59,748	85	-
Deferred revenue:			
Succeeding year property tax	-	568,000	-
Other	-	-	7,059
Compensated absences	-	546	12,524
Total liabilities	84,749	573,321	91,465
Fund equity:			
Fund balances:			
Reserved for:			
Inventories	-	-	278,668
Prepaid insurance	-	7,592	22,236
Landfill closure and postclosure care costs	-	-	-
Unreserved	547,864	827,648	994,134
Total fund equity	547,864	835,240	1,295,038
<b>Total liabilities and fund equity</b>	<b>\$ 632,613</b>	<b>1,408,561</b>	<b>1,386,503</b>

See accompanying independent auditor's report.

County Government Assistance	Confiscated Property County Attorney	County Recorder's Records Management	Resource Enhancement and Protection	Sanitary Landfill Closure/ Postclosure Trust	Total
100,994	926	4,134	29,248	278,172	2,816,342
-	-	-	-	-	568,000
-	-	-	-	-	17,346
-	-	-	60	271	331
-	-	153	-	-	153
-	-	-	-	-	130,967
-	-	-	-	-	278,668
-	-	-	-	-	29,828
100,994	926	4,287	29,308	278,443	3,841,635
-	-	-	-	-	91,264
-	-	-	-	-	9,423
-	-	-	-	-	886
-	-	-	-	-	59,833
-	-	-	-	-	568,000
-	-	-	-	-	7,059
-	-	-	-	-	13,070
-	-	-	-	-	749,535
-	-	-	-	-	278,668
-	-	-	-	-	29,828
-	-	-	-	278,443	278,443
100,994	926	4,287	29,308	-	2,505,161
100,994	926	4,287	29,308	278,443	3,092,100
100,994	926	4,287	29,308	278,443	3,841,635

Ida County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances

Year ended June 30, 2002

	Mental Health	Rural Services	Secondary Roads
<b>Revenues:</b>			
Property and other County tax:			
Property tax	\$ -	559,036	-
Utility tax replacement excise tax	-	14,682	-
Other	-	548	-
	-	574,266	-
<b>Intergovernmental:</b>			
State shared revenues:			
Road use tax	-	-	1,414,810
Sales and gas tax refunds	-	-	5,545
	-	-	1,420,355
State grants and reimbursements including indirect federal funding:			
Social services block grant	36,218	-	-
Revitalize Iowa's Sound Economy (RISE) funds	-	-	134,122
Resource enhancement and protection program	-	-	-
	36,218	-	134,122
State tax replacements:			
State tax credits	-	46,425	-
State allocation	-	51,056	-
Mental health property tax relief	289,658	-	-
	289,658	97,481	-
Contributions and reimbursements from other governmental units			
	4,430	48,850	-
	330,306	146,331	1,554,477
Licenses and permits	-	-	115
Charges for service:			
Document management fees	-	-	-
Landfill fees	-	135,464	-
	-	135,464	-

County Government Assistance	Confiscated Property County Attorney	County Recorder's Records Management	Resource Enhancement and Protection	Sanitary Landfill Closure/ Postclosure Trust	Total
-	-	-	-	-	559,036
-	-	-	-	-	14,682
-	-	-	-	-	548
-	-	-	-	-	574,266
-	-	-	-	-	1,414,810
-	-	-	-	-	5,545
-	-	-	-	-	1,420,355
-	-	-	-	-	36,218
-	-	-	-	-	134,122
-	-	-	5,777	-	5,777
-	-	-	5,777	-	176,117
-	-	-	-	-	46,425
17,109	-	-	-	-	68,165
-	-	-	-	-	289,658
17,109	-	-	-	-	404,248
-	-	-	-	-	53,280
17,109	-	-	5,777	-	2,054,000
-	-	-	-	-	115
-	-	2,149	-	-	2,149
-	-	-	-	-	135,464
-	-	2,149	-	-	137,613

Ida County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances

Year ended June 30, 2002

	Mental Health	Rural Services	Secondary Roads
Revenues (continued):			
Use of money and property:			
Interest on investments	-	-	-
Other	-	376	-
	-	376	-
Miscellaneous:	2,077	3,280	17,082
Total revenues	332,383	859,717	1,571,674
Expenditures:			
Operating:			
Physical Health and Education Service Area:			
Educational services:			
Libraries	-	22,500	-
Mental Health Service Area:			
Persons with mental health problems - mental illness:			
Information and education	11,142	-	-
Treatment services	14,958	-	-
Institutional, hospital, and commitment services	13,459	-	-
	39,559	-	-
Persons with chronic mental illness:			
Coordination services	6,185	-	-
Personal and environmental support	8,773	-	-
Treatment services	8,676	-	-
Licensed or certified living arrangements	9,291	-	-
Institutional, hospital, and commitment services	390	-	-
	33,315	-	-
Persons with mental retardation:			
General administration	28,423	-	-
Coordination services	4,556	-	-
Personal and environmental support	14,566	-	-
Vocational and day services	120,956	-	-
Licensed or certified living arrangements	250,673	-	-
Institutional, hospital, and commitment services	98,817	-	-
	517,991	-	-
	590,865	-	-



County Government Assistance	Confiscated Property County Attorney	County Recorder's Records Management	Resource Enhancement and Protection	Sanitary Landfill Closure/ Postclosure Trust	Total
-	-	55	592	5,955	6,602
-	-	-	-	-	376
-	-	55	592	5,955	6,978
-	-	-	-	-	22,439
17,109	-	2,204	6,369	5,955	2,795,411
-	-	-	-	-	22,500
-	-	-	-	-	11,142
-	-	-	-	-	14,958
-	-	-	-	-	13,459
-	-	-	-	-	39,559
-	-	-	-	-	6,185
-	-	-	-	-	8,773
-	-	-	-	-	8,676
-	-	-	-	-	9,291
-	-	-	-	-	390
-	-	-	-	-	33,315
-	-	-	-	-	28,423
-	-	-	-	-	4,556
-	-	-	-	-	14,566
-	-	-	-	-	120,956
-	-	-	-	-	250,673
-	-	-	-	-	98,817
-	-	-	-	-	517,991
-	-	-	-	-	590,865

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Ida County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances

Year ended June 30, 2002

	Mental Health	Rural Services	Secondary Roads
Expenditures (continued):			
Operating:			
County Environment Service Area:			
Environmental quality:			
Natural resources conservation	-	-	-
Weed eradication	-	10,764	-
Solid waste disposal	-	179,731	-
	-	190,495	-
Roads and Transportation Service Area:			
Secondary roads administration and engineering:			
Administration	-	-	184,993
Engineering	-	-	89,607
	-	-	274,600
Roadway maintenance:			
Bridges and culvert	-	-	253,216
Roads	-	-	701,875
Snow and ice control	-	-	51,401
Traffic controls	-	-	24,697
Road clearing	-	-	22,180
	-	-	1,053,369
General roadway expenditures:			
Equipment	-	-	176,547
Equipment operations	-	-	281,015
Tools, materials, and supplies	-	-	79,083
Real estate and buildings	-	-	2,705
	-	-	539,350
	-	-	1,867,319

County Government Assistance	Confiscated Property County Attorney	County Recorder's Records Management	Resource Enhancement and Protection	Sanitary Landfill Closure/ Postclosure Trust	Total
-	-	-	4,446	-	4,446
-	-	-	-	-	10,764
-	-	-	-	-	179,731
-	-	-	4,446	-	194,941
-	-	-	-	-	184,993
-	-	-	-	-	89,607
-	-	-	-	-	274,600
-	-	-	-	-	253,216
-	-	-	-	-	701,875
-	-	-	-	-	51,401
-	-	-	-	-	24,697
-	-	-	-	-	22,180
-	-	-	-	-	1,053,369
-	-	-	-	-	176,547
-	-	-	-	-	281,015
-	-	-	-	-	79,083
-	-	-	-	-	2,705
-	-	-	-	-	539,350
-	-	-	-	-	1,867,319

Ida County  
Special Revenue Funds  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Year ended June 30, 2002

	Mental Health	Rural Services	Secondary Roads
Expenditures (continued):			
Operating:			
State and Local Government			
Services Service Area:			
State administrative services			
Recording of public documents	-	-	-
Capital Projects Service Area:			
Roadway construction	-	-	71,441
Total expenditures	590,865	212,995	1,938,760
Excess (deficiency) of revenues over (under) expenditures	(258,482)	646,722	(367,086)
Other financing sources (uses):			
Sale of fixed assets	86	1,619	11,219
Solid waste alternative program note proceeds	-	5,870	-
Operating transfers in (out):			
General	-	-	59,736
Special Revenue:			
Rural Services	-	-	629,378
Secondary Roads	-	(629,378)	-
Sanitary Landfill Closure/Postclosure Trust	-	(47,985)	-
Total other financing sources (uses)	86	(669,874)	700,333

County Government Assistance	Confiscated Property County Attorney	County Recorder's Records Management	Resource Enhancement and Protection	Sanitary Landfill Closure/ Postclosure Trust	Total
-	-	5,975	-	-	5,975
-	-	-	-	-	71,441
-	-	5,975	4,446	-	2,753,041
17,109	-	(3,771)	1,923	5,955	42,370
-	-	-	-	-	12,924
-	-	-	-	-	5,870
-	-	-	-	-	59,736
-	-	-	-	47,985	677,363
-	-	-	-	-	(629,378)
-	-	-	-	-	(47,985)
-	-	-	-	47,985	78,530

Ida County  
 Special Revenue Funds  
 Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances  
 Year ended June 30, 2002

	Mental Health	Rural Services	Secondary Roads
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(258,396)	(23,152)	333,247
Fund balances beginning of year	806,260	865,537	915,635
Increase (decrease) in reserve for:			
Inventories	-	-	32,466
Prepaid insurance	-	(7,145)	13,690
Fund balances end of year	\$547,864	835,240	1,295,038

See accompanying independent auditor's report.

County Govern- ment Assistance	Confiscated Property County Attorney	County Recorder's Records Management	Resource Enhancement and Protection	Sanitary Landfill Closure/ Postclosure Trust	Total
17,109	-	(3,771)	1,923	53,940	120,900
83,885	926	8,058	27,385	224,503	2,932,189
-	-	-	-	-	32,466
-	-	-	-	-	6,545
<b>100,994</b>	<b>926</b>	<b>4,287</b>	<b>29,308</b>	<b>278,443</b>	<b>3,092,100</b>

**Schedule 5**

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Ida County  
Internal Service Funds  
Combining Balance Sheet  
June 30, 2002

	<u>Employee Health Insurance</u>	<u>Cafeteria Plan</u>	<u>Total</u>
<b>Assets</b>			
Cash and pooled investments	\$ 219,854	-	219,854
Accrued interest	403	-	403
<b>Total assets</b>	<u>\$ 220,257</u>	-	<u>220,257</u>
<b>Liabilities and Fund Equity</b>			
Liabilities:			
Accounts payable	\$ 3,000	370	3,370
Fund equity:			
Unreserved retained earnings (deficit)	<u>217,257</u>	<u>(370)</u>	<u>216,887</u>
<b>Total liabilities and fund equity</b>	<u>\$ 220,257</u>	-	<u>220,257</u>

See accompanying independent auditor's report.



## Ida County

## Internal Service Funds

Combining Statement of Revenues, Expenses and  
Changes in Retained Earnings

Year ended June 30, 2002

	Employee Health Insurance	Cafeteria Plan	Total
Operating revenues:			
Charges for service:			
Reimbursement from operating funds	\$ 25,238	-	25,238
Employee plan contributions	-	14,504	14,504
Miscellaneous	60	-	60
Total operating revenues	<u>25,298</u>	<u>14,504</u>	<u>39,802</u>
Operating expenses:			
Health claims	13,352	-	13,352
Plan benefit reimbursements to employees	-	14,830	14,830
Total operating expenses	<u>13,352</u>	<u>14,830</u>	<u>28,182</u>
Operating income (loss)	11,946	(326)	11,620
Non-operating revenues:			
Interest on investments	5,673	-	5,673
Net income (loss)	<u>17,619</u>	<u>(326)</u>	<u>17,293</u>
Retained earnings (deficit) beginning of year	<u>199,638</u>	<u>(44)</u>	<u>199,594</u>
Retained earnings (deficit) end of year	<u>\$ 217,257</u>	<u>(370)</u>	<u>216,887</u>

See accompanying independent auditor's report.

**Schedule 7**

Ida County  
Internal Service Funds  
Combining Statement of Cash Flows  
Year ended June 30, 2002

	Employee Health Insurance	Cafeteria Plan	Total
Cash flows from operating activities:			
Cash received from operating funds	\$ 25,238	-	25,238
Cash received from employees	-	14,830	14,830
Cash received from miscellaneous receipts	60	-	60
Cash paid for health claims	(13,352)	-	(13,352)
Cash paid for plan benefit reimbursements to employees	-	(14,830)	(14,830)
Net cash provided by operating activities	11,946	-	11,946
Cash flows from investing activities:			
Interest on investments	6,148	-	6,148
Net increase in cash and cash equivalents	18,094	-	18,094
Cash and cash equivalents at beginning of year	201,760	-	201,760
Cash and cash equivalents at end of year	\$ 219,854	-	219,854
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 11,946	(326)	11,620
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Increase in accounts payable	-	326	326
Net cash provided by operating activities	\$ 11,946	-	11,946

See accompanying independent auditor's report.

**Ida County**

Ida County  
 Agency Funds  
 Combining Balance Sheet  
 June 30, 2002

	County Offices		Agricultural Extension Education	County Assessor
	County Recorder	County Sheriff		
<b>Assets</b>				
Cash and pooled investments:				
County Treasurer	\$ -	-	1,418	80,603
Other County officials	18,679	8,882	-	-
Receivables:				
Property tax:				
Delinquent	-	-	24	28
Succeeding year	-	-	84,000	93,000
Accounts	262	-	-	-
Accrued interest	-	-	-	-
Special assessments	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
<b>Total assets</b>	<b>\$ 18,941</b>	<b>8,882</b>	<b>85,442</b>	<b>173,631</b>
<b>Liabilities</b>				
Liabilities:				
Accounts payable	\$ -	-	-	-
Salaries and benefits payable	-	-	-	-
Due to other funds	10,716	6,346	-	-
Due to other governments	8,225	-	85,442	173,631
Trusts payable	-	2,536	-	-
Compensated absences	-	-	-	-
<b>Total liabilities</b>	<b>\$ 18,941</b>	<b>8,882</b>	<b>85,442</b>	<b>173,631</b>

Schools	Community Colleges	Corporations	Townships	Special Assessments	Auto License and Use Tax
74,302	3,693	11,260	2,146	456	151,538
-	-	-	-	-	-
1,200	64	1,857	-	-	-
4,253,000	321,000	1,194,000	125,000	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	42,841	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>4,328,502</b>	<b>324,757</b>	<b>1,207,117</b>	<b>127,146</b>	<b>43,297</b>	<b>151,538</b>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	4,387
4,328,502	324,757	1,207,117	127,146	43,297	147,151
-	-	-	-	-	-
-	-	-	-	-	-
<b>4,328,502</b>	<b>324,757</b>	<b>1,207,117</b>	<b>127,146</b>	<b>43,297</b>	<b>151,538</b>

Ida County  
 Agency Funds  
 Combining Balance Sheet  
 June 30, 2002

	Emergency Management Services	Brucellosis and Tuberculosis Eradication	Public Safety and Communications Commission Operating
<b>Assets</b>			
Cash and pooled investments:			
County Treasurer	9,374	573	77,531
Other County officials	-	-	-
Receivables:			
Property tax:			
Delinquent	-	1	-
Succeeding year	-	1,000	-
Accounts	-	-	210
Accrued interest	-	-	-
Special assessments	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	1,964
<b>Total assets</b>	<b>9,374</b>	<b>1,574</b>	<b>79,705</b>
<b>Liabilities</b>			
Liabilities:			
Accounts payable	-	-	34,894
Salaries and benefits payable	-	-	790
Due to other funds	-	-	-
Due to other governments	9,001	1,574	1,230
Trusts payable	-	-	-
Compensated absences	373	-	42,791
<b>Total liabilities</b>	<b>9,374</b>	<b>1,574</b>	<b>79,705</b>

See accompanying independent auditor's report.

Public Safety and Communications Commission Confiscated Property	E911 Surcharge	E911 Service	Ida County Empowerment Board	Prepaid Taxes	Anatomical Gift Public Awareness and Transplantation	Total
4,339	70,779	3,110	-	1,427	40	492,589
-	-	-	-	-	-	27,561
-	-	-	-	-	-	3,174
-	-	-	-	-	-	6,071,000
-	13,993	-	-	-	-	14,465
-	421	-	-	-	-	421
-	-	-	-	-	-	42,841
529	-	-	-	-	-	529
-	-	-	-	-	-	1,964
4,868	85,193	3,110	-	1,427	40	6,654,544
-	-	-	-	-	-	34,894
-	19	-	-	-	-	809
-	-	-	-	-	-	21,449
4,868	85,174	3,110	-	1,427	40	6,551,692
-	-	-	-	-	-	2,536
-	-	-	-	-	-	43,164
4,868	85,193	3,110	-	1,427	40	6,654,544

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Ida County

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 2002

	<u>County Offices</u>		Agricultural Extension Education
	<u>County Recorder</u>	<u>County Sheriff</u>	
<b>Assets and Liabilities</b>			
Balances beginning of year	\$ 12,470	7,147	79,380
Additions:			
Property and other County tax	-	-	83,984
E911 surcharge	-	-	-
State tax credits	-	-	6,976
State allocation	-	-	-
Office fees and collections	104,553	19,573	-
Auto licenses, use tax and postage	-	-	-
Assessments	-	-	-
Trusts	2,315	39,605	-
Miscellaneous	-	-	-
Total additions	<u>106,868</u>	<u>59,178</u>	<u>90,960</u>
Deductions:			
Agency Remittances:			
To other funds	43,296	16,083	-
To other governments	54,962	536	84,898
Trusts paid out	2,139	40,824	-
Total deductions	<u>100,397</u>	<u>57,443</u>	<u>84,898</u>
Balances end of year	\$ 18,941	8,882	85,442



County Assessor	Schools	Community Colleges	Corporations	Townships	Special Assessments	Auto License and Use Tax
175,135	4,143,620	207,113	1,115,106	116,480	62,853	144,806
92,982	4,254,742	321,363	1,194,990	124,819	-	-
-	-	-	-	-	-	-
7,962	364,224	18,191	129,151	8,796	-	-
1,701	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,940,895
-	-	-	-	-	12,067	-
-	-	-	-	-	-	-
337	-	-	-	-	-	-
102,982	4,618,966	339,554	1,324,141	133,615	12,067	1,940,895
-	-	-	-	-	-	54,952
104,486	4,434,084	221,910	1,232,130	122,949	31,623	1,879,211
-	-	-	-	-	-	-
104,486	4,434,084	221,910	1,232,130	122,949	31,623	1,934,163
173,631	4,328,502	324,757	1,207,117	127,146	43,297	151,538

Ida County  
 Agency Funds  
 Combining Statement of Changes in Assets and Liabilities  
 Year ended June 30, 2002

	Emergency Management Services	Brucellosis and Tuberculosis Eradication	Public Safety and Communications Commission Operating
<b>Assets and Liabilities</b>			
Balances beginning of year	1,400	2,516	87,516
Additions:			
Property and other County tax	-	648	-
E911 surcharge	-	-	-
State tax credits	-	147	-
State allocation	-	-	-
Office fees and collections	-	-	-
Auto licenses, use tax and postage	-	-	-
Assessments	-	-	-
Trusts	-	-	-
Miscellaneous	38,460	-	658,411
Total additions	38,460	795	658,411
Deductions:			
Agency Remittances:			
To other funds	-	-	-
To other governments	30,486	1,737	666,222
Trusts paid out	-	-	-
Total deductions	30,486	1,737	666,222
Balances end of year	9,374	1,574	79,705

See accompanying independent auditor's report.

Public Safety and Communications Commission Confiscated Property	E911 Surcharge	E911 Service	Ida County Empowerment Board	Prepaid Taxes	Anatomical Gift Public Awareness and Transplantation	Total
3,954	109,151	2,486	481	-	9	6,271,623
-	-	-	-	-	-	6,073,528
-	58,892	-	-	-	-	58,892
-	-	-	-	-	-	535,447
-	-	-	-	-	-	1,701
-	-	-	-	-	-	124,126
-	-	-	-	-	-	1,940,895
-	-	-	-	-	-	12,067
-	-	-	-	-	-	41,920
1,414	2,462	624	82,207	1,427	167	785,509
1,414	61,354	624	82,207	1,427	167	9,574,085
-	-	-	-	-	-	114,331
500	85,312	-	82,688	-	136	9,033,870
-	-	-	-	-	-	42,963
500	85,312	-	82,688	-	136	9,191,164
4,868	85,193	3,110	-	1,427	40	6,654,544

**Schedule 10**

## Ida County

## Comparison of Taxes and Intergovernmental Revenues

	Years ended June 30,			
	2002	2001	2000	1999
<b>Taxes:</b>				
Property tax	\$ 1,656,291	1,702,677	1,721,222	1,681,795
Utility tax replacement excise tax	53,241	59,220	-	-
Other	1,868	2,123	2,164	1,934
	<u>1,711,400</u>	<u>1,764,020</u>	<u>1,723,386</u>	<u>1,683,729</u>
<b>Intergovernmental:</b>				
State shared revenues:				
Road use tax	1,414,810	1,356,691	1,376,417	1,247,122
Franchise tax	33,231	26,793	32,357	17,584
Other	6,163	2,756	-	-
State grants and reimbursements including indirect federal funding:				
Home care aide grant	34,243	41,243	27,805	36,606
Public health nurse grants	12,569	7,803	18,565	13,491
Human services administration reimbursement	11,586	15,116	18,714	17,350
Child support recovery enforcement	-	-	-	7,392
Well testing and abandonment	15,050	9,116	7,049	21,500
Social services block grant	36,218	36,025	36,935	37,731
MH-DD community services fund allocation	-	56,799	56,799	51,866
Revitalize Iowa's Sound Economy (RISE) funds	134,122	-	-	-
Resource enhancement and protection program	5,777	11,210	7,238	9,706
Highway planning and construction grant	-	-	-	112,408
MH-DD allowed growth factor adjustment	-	80,066	50,691	33,365
Other	77,856	68,459	17,510	73,207
State tax replacements:				
State tax credits	148,147	154,838	159,710	166,394
State allocation	68,165	74,084	74,298	74,209
Mental health property tax relief	289,658	289,658	289,658	289,658
Direct federal grants and entitlements:				
Medicare and medicaid	105,815	90,866	68,340	109,289
Cooperative forestry assistance	-	-	2,788	121,712
Other	-	-	9,768	14,108
Contributions and reimbursements from other governmental units	63,752	60,149	73,508	65,345
	<u>2,457,162</u>	<u>2,381,672</u>	<u>2,328,150</u>	<u>2,520,043</u>
<b>Total</b>	<u>\$ 4,168,562</u>	<u>4,145,692</u>	<u>4,051,536</u>	<u>4,203,772</u>

See accompanying independent auditor's report.

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

**Ida County**



OFFICE OF AUDITOR OF STATE  
STATE OF IOWA

David A. Vaudt, CPA  
Auditor of State

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

To the Officials of Ida County:

We have audited the general purpose financial statements of Ida County, Iowa, as of and for the year ended June 30, 2002, and have issued our report thereon dated February 3, 2003. We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2002 are based exclusively on knowledge obtained from procedures performed during our audit of the general purpose financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes. Prior year statutory comments have been resolved except for items (11) and (13).

Internal Control Over Financial Reporting

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

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

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.

WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

February 3, 2003



Ida County  
 Schedule of Findings  
 Year ended June 30, 2002

**Findings Related to the General Purpose Financial Statements:**

**INSTANCES OF NON-COMPLIANCE:**

No matters were reported.

**REPORTABLE CONDITIONS:**

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

	<u>Applicable Offices</u>
(1) A list of money and checks received is not prepared and compared to cash receipt records.	Sheriff
(2) Responsibilities for collection, deposit preparation and reconciliation functions are not segregated from those for recording and accounting of cash receipts.	Sheriff
(3) Investments—custody and accounting functions are not segregated.	Treasurer
(4) Cash—preparing bank reconciliations, handling and recording cash functions are not segregated. Bank reconciliations are not reviewed by an independent person for propriety.	Treasurer
(5) There is no segregation of duties for custody and record keeping of inventory.	Engineer

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

Ida County  
Schedule of Findings  
Year ended June 30, 2002

Response -

Treasurer - We will make changes to comply with the recommendations.

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

Engineer - In order to strengthen internal control, we will perform some analytical review on a test basis. We will compute usage based on our actual purchases and beginning and ending balances to determine if usage of selected items is reasonable and investigate any discrepancies. We will also compute the volume of selected gravel and rock piles by using instruments to verify ending inventories. We will send two personnel out to do inventory counts at June 30 to strengthen the veracity of those ending balances.

Conclusion - Response accepted.

- (B) Electronic Data Processing Systems - During our review of internal control, the existing control activities in the County's computer based systems were evaluated in order to determine that activities, from a control standpoint, were designed to provide reasonable assurance regarding the achievement of objectives in the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The following weaknesses in the County's computer based systems were noted:

The County does not have written policies for:

- password privacy and confidentiality.
- requiring password changes because software does not require the user to change log-ins/passwords periodically.
- requiring user profiles to help limit access to programs to those who have a legitimate need.
- requiring personnel who share the same computer terminal to log-on and log off prior to other personnel entering transactions on the same terminal.

Also, the County does not have a written disaster recovery plan.

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

Response - The County will develop written policies for these particular computer usage and disaster recovery recommendations.

Conclusion - Response accepted.

Ida County

Schedule of Findings

Year ended June 30, 2002

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

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

Response - Recommendation will be complied with.

Conclusion - Response accepted.

Ida County

Schedule of Findings

Year ended June 30, 2002

**Other Findings Related to Required Statutory Reporting:**

- (1) Official Depositories - A resolution naming official depositories has been adopted by the Board. The maximum deposit amounts stated in the resolution were not exceeded during the year.
- (2) Certified Budget - Disbursements during the year ended June 30, 2002 did not exceed the amounts budgeted.
- (3) Questionable Expenditures -No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- (4) Travel Expense - No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- (5) Business Transactions - No business transactions between the County and County officials or employees were noted.
- (6) Bond Coverage - Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.
- (7) Board Minutes - No transactions were found that we believe should have been approved in the Board minutes but were not, except that certain transfers were not approved in the Board minutes.

Recommendation - The County should insure that all transfers are approved in the Board minutes.

Response - The Auditor will insure that all transfers are approved by the Board in the minutes.

Conclusion - Response accepted.

- (8) Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County's investment policy were noted.
- (9) Resource Enhancement and Protection Certification - The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- (10) Solid Waste Fees Retainage - During the year ended June 30, 2002 the County retained the solid waste fees in accordance with Chapter 455E.11(2), (11), (13) and 15 of the Code of Iowa.

Ida County

Schedule of Findings

Year ended June 30, 2002

- (11) Excess Balances - The June 30, 2002 balances in the Special Revenue, County Government Assistance Fund and the Internal Service, Employee Health Insurance Fund were in excess of expenditures for the year then ended.

Recommendation - The County should consider the necessity of maintaining these substantial balances and, where financially feasible, consider reducing the balances in an orderly manner through revenue reductions.

Response - The Special Revenue, County Government Assistance Fund will be used to purchase voting machine equipment.

The County will reduce the balance in the Internal Service Fund by reducing future contributions from the various County Funds.

Conclusion - Response accepted.

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

Total estimated costs for closure and post closure care	\$515,813
Less: Balance of funds held in the local dedicated fund at June 30, 2001	<u>224,503</u>
	291,310
Divided by the number of years remaining in the pay-in period	6
Required payment into the local dedicated fund For the year ended June 30, 2002	\$ 48,552
Balance of funds held in the local dedicated fund at June 30, 2001	<u>224,503</u>
Required balance of funds held in the local dedicated fund at June 30, 2002	<u>\$273,055</u>
Amount County has reserved for closure and postclosure care at June 30, 2002	<u>\$278,443</u>

- (13) Deficit Fund Balance - The Internal Service, Cafeteria Plan Fund had a deficit fund balance at June 30, 2002.

Recommendation - Claims should not be paid when funds are not available. The Board should take whatever action is necessary to correct this deficit.

Ida County

Schedule of Findings

Year ended June 30, 2002

Response - According to the plan, reimbursements may be made to employees before the employee's total contribution is made. The County believes that the deficit will be eliminated in the future as employees forfeit unused amounts at the end of each plan year.

Conclusion - Response accepted.

- (14) County Extension Office - The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an extension council separate and distinct from County operations and, consequently, is not included in Exhibits A or B.

Disbursements during the year ended June 30, 2002 for the County Extension Office did not exceed the amount budgeted.

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Ida County

Staff

This audit was performed by:

Joe T. Marturello, CIA, Manager  
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