



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE January 29, 2004

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

The County had local tax revenue of \$27,876,156 for the year ended June 30, 2003, which included \$742,701 in tax credits from the state. The County forwarded \$23,221,391 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$4,654,765 of the local tax revenue to finance County operations, an eight percent increase from the prior year. Other revenues included \$2,606,897 from other governments, \$941,677 in local option sales tax, \$78,755 in hotel/motel tax, and \$191,289 in interest on investments.

Expenditures for County operations totaled \$9,188,054, a less than one percent increase from the prior year. Expenditures included \$2,116,774 for roads and transportation, \$1,604,315 for public safety and legal services and \$1,308,190 for mental health.

The report contains recommendations to the Board of Supervisors and other County officials. For example, the financial activity for the forfeited and confiscated property proceeds should be included in the County's annual budget and financial statements to ensure purchases are properly budgeted and reflected in the County's accounting system. Depositing revenues with the County Treasurer and expending resources with County warrants, after Board approval, provides for stronger segregation of duties and helps ensure all public funds are spent for the purpose for which they were received. The County's responses are included in the audit report.

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

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DICKINSON COUNTY
INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION
SCHEDULE OF FINDINGS
JUNE 30, 2003

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Dickinson County

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
(Before January 2003)		
K. June Goldman	Board of Supervisors	Jan 2003
David Gottsche	Board of Supervisors	Jan 2003
Wayne Northey	Board of Supervisors	Jan 2003
Nancy Reiman	County Auditor	Jan 2005
Linda Voss	County Treasurer	Jan 2003
Janice Bortscheller	County Recorder	Jan 2003
Gregory Baloun	County Sheriff	Jan 2005
Edward Bjornstad	County Attorney	Jan 2003
Patricia Dodds	County Assessor	Jan 2004
(After January 2003)		
David Gottsche	Board of Supervisors	Jan 2005
Pam Jordon	Board of Supervisors	Jan 2005
Wayne Northey	Board of Supervisors	Jan 2007
Mardi Allen	Board of Supervisors	Jan 2007
Paul Johnson	Board of Supervisors	Jan 2007
Nancy Reiman	County Auditor	Jan 2005
Linda Voss	County Treasurer	Jan 2007
Janice Bortscheller	County Recorder	Jan 2007
Gregory Baloun	County Sheriff	Jan 2005
Rosalise Olson	County Attorney	Jan 2007
Patricia Dodds	County Assessor	Jan 2004

Dickinson County



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Independent Auditor's Report

To the Officials of Dickinson County:

We have audited the accompanying general purpose financial statements, listed as exhibits in the table of contents of this report, of Dickinson County, Iowa, as of and for the year ended June 30, 2003. These general purpose financial statements are the responsibility of Dickinson 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.

The general purpose financial statements referred to above do not include the general fixed assets account group, which should be included in order to conform with U.S. generally accepted accounting principles. The amount that should be recorded in the general fixed assets account group is not known. Also, the County has not included materials and supplies inventories, pertaining primarily to the Special Revenue Funds, although required by U.S. generally accepted accounting principles. The amounts of such inventories are not determinable.

In our opinion, except for the effects on the financial statements of the omissions described in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Dickinson County at June 30, 2003, and the results of its operations and cash flows of its propriety fund type 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 funds of Dickinson County for the year ended June 30, 2003.

As discussed in note 12 to the financial statements, Dickinson County intends to implement Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments; Statement No. 37, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus; and Statement No. 38, Certain Financial Statement Note Disclosures, for the year ending June 30, 2004. The effects of these statements are expected to significantly impact the presentation of the County's financial statements and related notes in the year of implementation. The revised requirements include the use of the economic resources measurement focus and full accrual accounting, as well as an analytical overview of the County's financial activities in the Management's Discussion and Analysis introduction to the financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated October 7, 2003 on our consideration of Dickinson County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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, 2002 (none of which are presented herein) and expressed qualified opinions on those financial statements for the effects of the omission of the statement of general fixed assets and the omission of the materials and supplies inventories, pertaining primarily to the Special Revenue Funds. The supplemental information included in Schedules 1 through 11 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, except for the effects of the omission of materials and supplies inventories pertaining primarily to the Special Revenue Funds at June 30, 2003, as discussed in the third preceding paragraph, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

DAVID A. VAUDT, CPA
Auditor of State

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

October 7, 2003

Financial Statements

Dickinson County
 Combined Balance Sheet
 All Fund Types and Account Group
 June 30, 2003

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits				
Cash and pooled investments:				
County Treasurer	\$ 3,515,220	2,770,088	39,182	92,569
Other County officials	-	-	-	-
Conservation Foundation	-	25,364	-	-
Bequest held by bank	-	-	-	-
Receivables:				
Property tax:				
Delinquent	3,499	1,771	-	-
Succeeding year	3,334,000	1,380,000	-	-
Interest and penalty on property tax	3,288	-	-	-
Accounts	11,376	1,021	-	-
Accrued interest	234	27	-	-
Special assessments	-	-	-	-
Drainage assessments	-	194,046	-	-
Economic development loans (note 7)	-	15,175	-	-
Due from other funds (note 3)	73,210	40,497	3,537	-
Due from other governments	109,178	220,287	-	-
Prepaid expenditures	710	-	-	-
Amount available for drainage warrants	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
Amount to be provided for retirement of drainage warrants	-	-	-	-
Total assets and other debits	\$ 7,050,715	4,648,276	42,719	92,569

Proprietary Fund Type	Fiduciary Fund Type	Account Group General	Total (Memorandum Only)
Internal Service	Trust and Agency	Long-Term Debt	
246,429	1,578,958	-	8,242,446
-	87,822	-	87,822
-	-	-	25,364
-	72,847	-	72,847
-	20,672	-	25,942
-	22,575,000	-	27,289,000
-	-	-	3,288
-	37,951	-	50,348
1,777	8,148	-	10,186
-	516,660	-	516,660
-	3,110,830	-	3,304,876
-	-	-	15,175
-	-	-	117,244
-	32,429	-	361,894
-	-	-	710
-	-	1,986	1,986
-	-	215,450	215,450
-	-	168,474	168,474
248,206	28,041,317	385,910	40,509,712

Dickinson County
 Combined Balance Sheet
 All Fund Types and Account Group
 June 30, 2003

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities and Fund Equity				
Liabilities:				
Accounts payable	\$ 93,172	235,940	-	-
Salaries and benefits payable	84,452	49,662	-	-
Due to other funds (note 3)	-	3,537	39,406	-
Due to other governments (note 4)	1,169	91,808	3,313	-
Trusts payable	-	-	-	-
Deferred revenue:				
Succeeding year property tax	3,334,000	1,380,000	-	-
Other	19,218	210,875	-	-
Deferred payment contracts (note 5)	-	-	-	-
Drainage warrants payable (note 5)	-	-	-	-
Compensated absences	19,106	18,807	-	-
Total liabilities	3,551,117	1,990,629	42,719	-
Fund equity:				
Unreserved retained earnings	-	-	-	-
Fund balances:				
Reserved for:				
Prepaid expenditures	710	-	-	-
Drainage warrants	-	1,986	-	-
Unreserved	3,498,888	2,655,661	-	92,569
Total fund equity and other credits	3,499,598	2,657,647	-	92,569
Total liabilities and fund equity	\$ 7,050,715	4,648,276	42,719	92,569

See notes to financial statements.

Proprietary Fund Type	Fiduciary Fund Type	Account Group General	Total (Memorandum Only)
Internal Service	Trust and Agency	Long-Term Debt	
2,323	32,638	-	364,073
-	10,237	-	144,351
-	74,301	-	117,244
-	24,208,193	-	24,304,483
-	20,874	-	20,874
-	-	-	4,714,000
-	-	-	230,093
-	-	84,500	84,500
-	3,106,548	170,460	3,277,008
-	8,001	130,950	176,864
2,323	27,460,792	385,910	33,433,490
245,883	-	-	245,883
-	-	-	710
-	-	-	1,986
-	580,525	-	6,827,643
245,883	580,525	-	7,076,222
248,206	28,041,317	385,910	40,509,712

Dickinson County

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

Year ended June 30, 2003

	Governmental Fund		
	General	Special Revenue	Debt Service
Revenues:			
Property and other County tax	\$ 3,372,892	2,164,807	-
Interest and penalty on property tax	60,667	-	-
Intergovernmental	354,032	2,351,374	-
Licenses and permits	57,811	20,638	-
Charges for service	491,533	27,078	-
Use of money and property	166,002	18,495	-
Miscellaneous	100,111	241,019	-
Total revenues	4,603,048	4,823,411	-
Expenditures:			
Operating:			
Public safety and legal services	1,598,661	5,654	-
Physical health and social services	357,515	-	-
Mental health	-	1,308,190	-
County environment and education	507,439	218,735	-
Roads and transportation	-	2,009,882	-
Governmental services to residents	363,907	40,281	-
Administration	1,030,319	-	-
Non-program	196,608	14,130	-
Debt service	-	101,819	115,005
Capital projects	-	-	-
Total expenditures	4,054,449	3,698,691	115,005
Excess (deficiency) of revenues over (under) expenditures	548,599	1,124,720	(115,005)
Other financing sources (uses):			
Sale of general fixed assets	100	525	-
Proceeds from drainage warrants	-	7,145	-
Operating transfers in	-	1,761,367	221,612
Operating transfers out	(204,087)	(1,739,486)	(39,406)
Total other financing sources (uses)	(203,987)	29,551	182,206
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	344,612	1,154,271	67,201
Fund balances beginning of year	3,172,917	2,699,893	(67,201)
Decrease in reserve for prepaid expenditures	(17,931)	-	-
Fund balances end of year	\$ 3,499,598	3,854,164	-

See notes to financial statements.

Types	Fiduciary Fund Type	Total
Capital Projects	Expendable Trust	(Memorandum Only)
-	-	5,537,699
-	-	60,667
-	38,989	2,744,395
-	-	78,449
-	-	518,611
-	17,596	202,093
-	62,432	403,562
-	119,017	9,545,476
-	-	1,604,315
-	-	357,515
-	-	1,308,190
-	-	726,174
-	106,892	2,116,774
-	-	404,188
-	-	1,030,319
-	-	210,738
-	-	216,824
-	16,500	16,500
-	123,392	7,991,537
-	(4,375)	1,553,939
-	-	625
-	-	7,145
-	-	1,982,979
-	-	(1,982,979)
-	-	7,770
-	(4,375)	1,561,709
92,569	584,900	6,483,078
-	-	(17,931)
92,569	580,525	6,830,339

Dickinson County

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

Year ended June 30, 2003

	Actual	Less Funds not Required to be Budgeted
Receipts:		
Property and other County tax	\$ 5,513,218	-
Interest and penalty on property tax	60,613	-
Intergovernmental	2,768,397	1,095
Licenses and permits	78,413	-
Charges for service	500,137	-
Use of money and property	204,260	-
Miscellaneous	379,923	134,218
Total receipts	<u>9,504,961</u>	<u>135,313</u>
Disbursements:		
Public safety and legal services	1,585,179	-
Physical health and social services	356,878	-
Mental health	1,366,778	-
County environment and education	743,739	26,672
Roads and transportation	1,990,023	-
Governmental services to residents	356,995	-
Administration	1,064,558	-
Non-program	211,843	17,573
Debt service	214,407	101,820
Capital projects	1,128,825	-
Total disbursements	<u>9,019,225</u>	<u>146,065</u>
Excess (deficiency) of receipts over (under) disbursements	485,736	(10,752)
Other financing sources, net	<u>7,770</u>	<u>7,145</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	493,506	(3,607)
Balance beginning of year	<u>6,555,036</u>	<u>56,256</u>
Balance end of year	<u>\$ 7,048,542</u>	<u>52,649</u>

See notes to financial statements.

Net	Amended Budget	Variance - Favorable (Unfavorable)	Net as % of Amended Budget
5,513,218	5,889,261	(376,043)	94%
60,613	43,000	17,613	141%
2,767,302	3,127,740	(360,438)	88%
78,413	58,800	19,613	133%
500,137	347,672	152,465	144%
204,260	253,801	(49,541)	80%
245,705	101,944	143,761	241%
<u>9,369,648</u>	<u>9,822,218</u>	<u>(452,570)</u>	<u>95%</u>
1,585,179	1,647,026	61,847	96%
356,878	442,378	85,500	81%
1,366,778	1,475,367	108,589	93%
717,067	766,071	49,004	94%
1,990,023	2,133,400	143,377	93%
356,995	373,475	16,480	96%
1,064,558	1,955,933	891,375	54%
194,270	192,700	(1,570)	101%
112,587	80,000	(32,587)	141%
1,128,825	1,562,500	433,675	72%
<u>8,873,160</u>	<u>10,628,850</u>	<u>1,755,690</u>	<u>83%</u>
496,488	(806,632)		
<u>625</u>	-		
497,113	(806,632)		
<u>6,498,780</u>	<u>4,693,171</u>		
<u>6,995,893</u>	<u>3,886,539</u>		

Exhibit D

Dickinson County

Combined Statement of Revenues, Expenses and Changes in Retained Earnings

Proprietary Fund Type

Year ended June 30, 2003

		<u>Internal Service - Employee Group Health</u>
Operating revenues:		
Reimbursements from operating funds		\$ 68,949
Operating expenses:		
Medical claims	\$ 16,004	
Administrative fees	3,789	19,793
Operating income		<u>49,156</u>
Non-operating revenues:		
Interest on investments		5,523
Net income		<u>54,679</u>
Retained earnings beginning of year		<u>191,204</u>
Retained earnings end of year		<u><u>\$ 245,883</u></u>

See notes to financial statements.

Dickinson County
Combined Statement of Cash Flows
Proprietary Fund Type
Year ended June 30, 2003

	<u>Internal Service - Employee Group Health</u>
Cash flows from operating activities:	
Cash received from operating fund reimbursements	\$ 68,949
Cash payments to suppliers for services	<u>(21,124)</u>
Net cash provided by operating activities	47,825
Cash flows from investing activities:	
Interest on investments	5,971
Net increase in cash and cash equivalents	<u>53,796</u>
Cash and cash equivalents beginning of year	<u>192,633</u>
Cash and cash equivalents end of year	<u><u>\$ 246,429</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 49,156
Adjustments to reconcile operating income to net cash provided by operating activities:	
(Decrease) in accounts payable	<u>(1,331)</u>
Net cash provided by operating activities	<u><u>\$ 47,825</u></u>

See notes to financial statements.

Dickinson County

Notes to Financial Statements

June 30, 2003

(1) Summary of Significant Accounting Policies

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

These financial statements present Dickinson County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Blended Component Units – The following component units are entities which are legally separate from the County, but are so intertwined with the County that they are, in substance, the same as the County. They are reported as part of the County and blended into the appropriate funds.

Eighty-six drainage districts have been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although these districts are legally separate from the County, they are controlled, managed and supervised by the Dickinson County Board of Supervisors. The drainage districts are reported as a Special Revenue Fund. The County has other drainage districts that are managed and supervised by elected trustees. The financial transactions of these districts are reported as an Agency Fund. Financial information for the individual drainage districts can be obtained from the Dickinson County Auditor's office.

The Conservation Foundation has been incorporated under Chapter 504A of the Code of Iowa to receive donations for the benefit of the Dickinson County Conservation Board. These donations would be used to purchase items that are not included in the County's budget. The financial transactions of this foundation have been reported as a Special Revenue Fund.

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

The County also participates in the following additional jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa: Northwest Iowa Multi-County Regional Juvenile Detention Center, Dickinson County Water Quality Commission and the Dickinson County Landfill Commission. In addition, the County is involved in the following jointly governed organizations: Northwest Iowa Mental Health Center, Northwest Iowa Alcoholism and Drug Treatment Unit, Inc., Northwest Iowa Planning and Development Commission, Regional Transit Authority, Third Judicial District Department of Correctional Services, Private Industry Council/Local Elected Officials Board, Upper Des Moines Opportunity, Inc., FEMA Multi-County Board, Resource Conservation & Development Commission, Safety and Health Issues and Employment Leadership Decision, Inc. and Region III Hazardous Material Response Commission.

B. Fund Accounting

The accounts of the County are organized on the basis of funds and account group, 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 group 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 revenues 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 expenditures, 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.

Debt Service Fund – The Debt Service Fund is utilized to account for the payment of interest and principal on the County’s general long-term debt.

Capital Projects Fund – The Capital Projects Fund is utilized to account for all resources used in the acquisition and construction of capital facilities.

Proprietary Fund

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

Fiduciary Funds

Trust Funds – The Trust Funds are used to account for assets held by the County in a trustee capacity. These include Expendable Trust Funds, which are accounted for in essentially the same manner as Governmental 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 Group

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 Expendable Trust Funds 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 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 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 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 and Expendable Trust 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 collectible 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 except for unmatured interest on general long-term debt, which is recognized when due. Disbursements for the purchase of assets providing future benefits are recorded as expenditures at time of purchase.

Property tax, 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. Revenues are recognized when earned and expenses are recognized when 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 the investment in the Iowa Public Agency Investment Trust, which is valued at amortized cost and non-negotiable certificates of deposit, which are stated at cost.

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

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date 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, 2001 assessed property valuations; is for the tax accrual period July 1, 2002 through June 30, 2003 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March, 2002.

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 – Special 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. Special assessments receivable represent assessments which are due and payable but have not been collected.

Drainage Assessments Receivable – Drainage assessments receivable represent the amounts already assessed to individuals for work done on drainage districts which benefits their property. These assessments are payable by individuals in not less than 10, nor more than 20, 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. Drainage 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, 2003, 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.

Due to Other Governments – Due to other governments represents tax 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 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 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 rates of pay in effect at June 30, 2003.

Unreserved Retained Earnings – The unreserved retained earnings of the Employee Group Health 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 blended component units, 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 10 major classes of expenditures known as functions, not by fund or fund type. These 10 functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds and Expendable Trust Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function 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	\$ 4,556,505	46,543	4,603,048	4,854,684	(31,273)	4,823,411
Expenditures	3,980,048	74,401	4,054,449	4,845,109	(1,146,418)	3,698,691
Net	576,457	(27,858)	548,599	9,575	1,115,145	1,124,720
Other financing sources (uses)	(203,987)	-	(203,987)	96,497	(66,946)	29,551
Beginning fund balances	3,142,750	30,167	3,172,917	2,689,380	10,513	2,699,893
Decrease in reserve for prepaid expenditures	-	(17,931)	(17,931)	-	-	-
Ending fund balances	\$ 3,515,220	(15,622)	3,499,598	2,795,452	1,058,712	3,854,164

	Governmental Fund Types					
	Debt Service			Capital Projects		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ -	-	-	-	-	-
Expenditures	112,586	2,419	115,005	-	-	-
Net	(112,586)	(2,419)	(115,005)	-	-	-
Other financing sources (uses)	115,260	66,946	182,206	-	-	-
Beginning fund balances	36,508	(103,709)	(67,201)	92,569	-	92,569
Decrease in reserve for prepaid expenditures	-	-	-	-	-	-
Ending fund balances	\$ 39,182	(39,182)	-	92,569	-	92,569

	Fiduciary Fund Type					
	Expendable Trust			Total		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 93,772	25,245	119,017	9,504,961	40,515	9,545,476
Expenditures	81,482	41,910	123,392	9,019,225	(1,027,688)	7,991,537
Net	12,290	(16,665)	(4,375)	485,736	1,068,203	1,553,939
Other financing sources (uses)	-	-	-	7,770	-	7,770
Beginning fund balances	593,829	(8,929)	584,900	6,555,036	(71,958)	6,483,078
Decrease in reserve for prepaid expenditures	-	-	-	-	(17,931)	(17,931)
Ending fund balances	\$ 606,119	(25,594)	580,525	7,048,542	(218,203)	6,830,339

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 at June 30, 2003 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

The County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$1,769 pursuant to Rule 2a-7 under the Investment Company Act of 1940 and are not subject to risk categorization.

(3) Due from and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2003 is as follows:

Receivable Fund	Payable Fund	Amount
General	Trust and Agency:	
	County Auditor	\$ 20
	County Recorder	29,350
	County Sheriff	33,136
	Auto License and Use Tax	10,704
Special Revenue:		
County Recorder's Records Management	Trust and Agency:	
	County Recorder	1,091
Moore Lake Fire Low and Moderate Income	Debt Service	39,406
Debt Service	Special Revenue:	
	Moore Lake Fire TIF	224
	East Okoboji Beach Sewer TIF	3,313
Total		\$ 117,244

(4) 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	\$ 1,169
Special Revenue:		
Secondary Roads	Services	5,316
Mental Health		86,492
		<u>91,808</u>
Debt Service	Collections	<u>3,313</u>
Trust and Agency:		
Agrecultural Extension Education	Collections	150,261
County Assessor		437,330
Schools		11,882,236
Community Colleges		832,949
Corporations		6,734,013
Townships		287,154
City Special Assessments		517,376
Auto License and Use Tax		385,176
Iowa Great Lakes Sanitary		
Sewer District		2,364,524
County Hospital		100,881
Emergency Management Services		17,699
E911		358,440
City Drainage Districts		357
All other		139,797
		<u>24,208,193</u>
Total		<u>\$ 24,304,483</u>

(5) Changes in Long-Term Debt

A summary of changes in long-term debt for the year ended June 30, 2003 is as follows:

	Deferred Payment Contracts	Drainage Warrants	Compen- sated Absences	Total
Balance beginning of year	\$ 106,500	250,991	140,350	497,841
Additions	-	7,145	-	7,145
Reductions	22,000	87,676	9,400	119,076
Balance end of year	<u>\$ 84,500</u>	<u>170,460</u>	<u>130,950</u>	<u>385,910</u>

Deferred Payment Contracts

The County entered into two deferred payment contracts to purchase real estate to provide storage and parking for the County.

Details of the deferred payment contracts and annual payments to maturity at June 30, 2003 are as follows:

Year ending June 30,	Dated August 27, 2000			Dated February 6, 2002			Total		
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest	Principal	Interest	Total
2004	7.0%	\$ 7,000	1,593	6.0%	\$ 15,000	3,600	\$ 22,000	5,193	27,193
2005	7.0	7,000	1,103	6.0	15,000	2,700	22,000	3,803	25,803
2006	7.0	7,000	613	6.0	15,000	1,800	22,000	2,413	24,413
2007	7.0	3,500	123	6.0	15,000	900	18,500	1,023	19,523
Total		\$ 24,500	3,430		\$ 60,000	9,000	\$ 84,500	12,430	96,930

During the year ended June 30, 2003, principal of \$22,000 was paid on the deferred payment contracts.

Drainage Warrants Payable

Drainage warrants are warrants which are legally drawn on drainage district funds but are not paid for lack of funds, in accordance with Chapter 74 of the Code of Iowa. The warrants bear interest at rates in effect at the time the warrants are first presented.

Drainage warrants are paid from the Special Revenue Fund solely from assessments against benefited properties.

(6) 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 5.37% and 8.05%, respectively. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2003, 2002, and 2001 were \$161,649, \$152,874 and \$143,290, respectively, equal to the required contributions for each year.

(7) Revolving Loan Fund

The Dickinson County Revolving Economic Development Fund was established to promote economic development in Dickinson County through grants and loans. Upon receipt of the loan payments from the businesses, the funds remain in the Revolving Economic Development Fund for subsequent loans to other businesses.

Outstanding loans by the Dickinson County Revolving Economic Development Fund at June 30, 2003 are as follows:

Loaned to	Date of Loan	Loan Amount	Interest Rate	Term of Loan	Loan Balance June 30, 2003
Farmers Coop Elevator	July 24, 2001	\$ 15,000	3.0%	5 Years	\$ 12,175
Rosenboom Machine & Tool, Inc.	June 14, 1999	9,000	3.0	5 Years	3,000
Total		<u>\$ 24,000</u>			<u>\$ 15,175</u>

(8) Risk Management

Dickinson 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 from various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property 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, 2003 were \$141,730.

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, 2003, no liability has been recorded in the County's financial statements. As of June 30, 2003, settled claims have not exceeded the risk pool or reinsurance coverage since the pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days' prior written notice may withdraw from the Pool. Upon withdrawal, payments for all claims and 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 and employee blanket bond. The County assumes liability for any deductibles and claims in excess of coverage limitations. The County assumes responsibility for workers compensation claims in excess of \$1,000,000 and employee blanket bond claims in excess \$50,000 (\$100,000 for the County Treasurer), respectively. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(9) Budget Overexpenditure

Per the Code of Iowa, disbursements may not legally exceed amounts budgeted by function or amounts appropriated by department. During the year ended June 30, 2003, disbursements exceeded the amount budgeted in the non-program and debt service functions and disbursements in certain departments exceeded the amounts appropriated.

(10) Public Health

On July 1, 1996, an agreement was entered into between Dickinson County Memorial Hospital, Dickinson County and the Dickinson County Board of Health for the purpose of consolidating services offered by Dickinson County Memorial Hospital and the Dickinson County Board of Health. In the agreement, Dickinson County Memorial Hospital agrees to provide all public health nursing services and home care services for and on behalf of the Dickinson County Board of Health to the residents of Dickinson County. Under the agreement, the Board of Health shall continue as an organizational entity and shall continue to act in compliance with Chapter 137 of the Code of Iowa and Chapter 79 of the Iowa Administrative Code, where applicable. The agreement was effective and commenced July 1, 1996, and continues year to year unless terminated.

The services provided by home health, public health and homemakers service will be under the administrative control of the Hospital. All services rendered under the terms of the agreement are to be funded by the Hospital, except where residents of Dickinson County may be unable to pay for said services, in which case the Hospital may submit monthly claims for reimbursement for services and fees to the County for payment. In addition, the County and the Board of Health agree to reimburse the Hospital up to \$70,000 per year for public health services, including reimbursement for indigent fees.

(11) Dickinson County Employee Group Health Fund

The Dickinson County Employee Group Health Fund was established to account for the partial self funding of the County's health insurance benefit plan. The plan is funded by County contributions and is administered through a service agreement with Wellmark, Inc. The agreement is subject to automatic renewal provisions. After an eligible employee with single coverage has paid \$100 of the applicable deductible amount under the contract during a calendar year or an eligible employee with a family coverage has paid \$200 of the applicable deductible amount under the contract during a calendar year, the employer will pay directly or reimburse any eligible employee for 70% (90% if seen by a participating physician) of any additional expenses for services covered by the contract, but subject to the deductible or co-insurance provisions of the contract. An employee's maximum payment during any one calendar year for deductibles and co-insurance shall be \$750 with respect to single coverage and \$1,500 with respect to family coverage. After an employee has made the maximum prescribed payments, the employer will pay directly or reimburse the employee for 100% of any additional expenses for services covered by the contract, but subject to deductible or co-insurance provisions of the contract.

Monthly payments of service fees and plan contributions to the Dickinson County Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Wellmark, Inc. from the Dickinson County Employee Group Health Fund. The County records the plan assets and related liabilities of the Dickinson County Employee Group Health Fund as an Internal Service Fund. The County's contribution to the fund for the year ended June 30, 2003 was \$68,949.

The amounts payable from the Dickinson County Employee Health Fund at June 30, 2003 for incurred but not reported (IBNR) and reported but not paid claims has not been determined since the County has not obtained an actuarial opinion as required by Chapter 509A.15 of the Code of Iowa. These amounts are not expected to be material to the financial statements.

(12) Prospective Accounting Change

The Governmental Accounting Standards Board has issued Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments; Statement No. 37, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus; and Statement No. 38, Certain Financial Statement Note Disclosures. These statements will be implemented for the year ending June 30, 2004. The effects are expected to significantly impact the presentation of County's financial statements in the year of implementation. The revised requirements include using the economic resources measurement focus and full accrual accounting. Also, the revised minimum reporting requirements include Management's Discussion and Analysis to introduce the financial statements and to provide an analytical overview of the County's financial activities.

(13) Subsequent Event

On September 30, 2003, a special election was held and a referendum was passed authorizing Dickinson County to construct and equip a new Courthouse and Jail Facility on the present Courthouse site at a total cost not to exceed \$14,900,000 and issue general obligation bonds in an amount not to exceed \$14,900,000. The bonds will be issued during year ending June 30, 2004.

(14) Jointly Governed Organization

Dickinson County participates in the Dickinson County Water Quality Commission, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa. Financial transactions of this organization are included in the County's financial statements as an Agency Fund because of the County's fiduciary relationship with the organization. The following financial data is for the year ended June 30, 2003:

Additions:

Contributions from governmental units:

Dickinson County	\$ 42,300	
City of Spirit Lake	14,000	
City of Okoboji	11,500	
City of Wahpeton	8,000	
City of Arnolds Park	7,400	
City of Milford	6,500	
City of West Okoboji	3,800	
City of Orleans	3,300	
City of Lake Park	2,100	
City of Superior	700	
City of Terril	500	\$ 100,100
Interest on investments		862
Total additions		<u>100,962</u>

Deductions:

Dickinson County Soil & Water Conservation District	14,417	
Friends of Lakeside Lab	17,275	
Iowa Lakes Resource Conservation & Development	5,000	
Dickinson County Conservation Board	5,000	
Jackson County - Environmental Health Zoning	2,500	
Iowa Natural Heritage Foundation	1,870	
Spirit Lake Community School	1,470	
Boddy Media	1,400	48,932
Net		<u>52,030</u>
Balance beginning of year		<u>-</u>
Balance end of year		<u><u>\$ 52,030</u></u>

Dickinson County

Supplemental Information

Dickinson County

Dickinson County

General Fund

Statement of Revenues, Expenditures and
Changes in Fund Balance

Year ended June 30, 2003

Revenues:

Property and other County tax:

Property tax	\$ 2,970,408	
Local option sales tax	235,419	
Hotel/motel tax	78,755	
Utility tax replacement excise tax	74,748	
Other	13,562	\$ 3,372,892
	<u> </u>	

Interest and penalty on property tax

60,667

Intergovernmental:

State shared revenues:

Franchise tax	44,138	
Other	2,143	
	<u> </u>	
	46,281	

State tax replacements:

State tax credits	92,442	
	<u> </u>	

State and federal pass-thru revenues:

Human services administrative reimbursement	77,634	
Violence against women grant	27,643	
Crime victims' assistance	19,000	
Other	1,061	
	<u> </u>	
	125,338	

Contributions from other

governmental units:

Contract law enforcement	14,750	
Elections	17,955	
Other	34,230	
	<u> </u>	
	66,935	

State grants and entitlements:

Juvenile justice county base reimbursement	8,195	
Other	11,214	
	<u> </u>	
	19,409	

Payments in lieu of taxes

3,627

354,032

Licenses and permits

57,811

Charges for service:

Office fees and collections	344,781	
Auto registration, use tax, drivers license and mailing	123,275	
Other	23,477	491,533
	<u> </u>	

Schedule 1

Dickinson County

General Fund

Statement of Revenues, Expenditures and
Changes in Fund Balance

Year ended June 30, 2003

Revenues (continued):		
Use of money and property:		
Interest on investments	165,977	
Other	25	166,002
	<hr/>	
Miscellaneous:		
Insurance reimbursements	64,289	
Miscellaneous	35,822	100,111
Total revenues	<hr/>	<hr/>
		4,603,048
Expenditures:		
Operating:		
Public safety and legal services		1,598,661
Physical health and social services		357,515
County environment and education		507,439
Governmental services to residents		363,907
Administration		1,030,319
Non-program		196,608
Total expenditures		<hr/>
		4,054,449
Excess of revenues over expenditures		<hr/>
		548,599
Other financing sources (uses):		
Sale of general fixed assets		100
Operating transfers out:		
Special Revenue:		
Secondary Roads		(177,821)
Economic Development		(25,000)
Historic Site Grant		(1,266)
Total other financing sources (uses)		<hr/>
		(203,987)
Excess of revenues and other financing sources over expenditures and other financing uses		<hr/>
		344,612
Fund balance beginning of year		3,172,917
Decrease in reserve for prepaid expenditures		(17,931)
Fund balance end of year		<hr/>
		<hr/>
		\$ 3,499,598

See accompanying independent auditor's report.

Dickinson County

General Fund

Statement of Expenditures

Year ended June 30, 2003

Public safety and legal services:			
Law enforcement:			
Uniformed patrol services	\$	565,685	
Investigations		2,988	
Law enforcement communication		192,481	
Adult correctional services		205,114	
Administration		129,850	
		<u>1,096,118</u>	
Legal services:			
Criminal prosecution		394,427	
Medical examinations		6,016	
		<u>400,443</u>	
Emergency services:			
Emergency management		17,923	
		<u>17,923</u>	
Assistance to district court system:			
Research and other assistance		13,292	
		<u>13,292</u>	
Court proceedings:			
Juries and witnesses		4,677	
Detention services		2,298	
		<u>6,975</u>	
Juvenile justice administration:			
Court-appointed attorneys and court costs for juveniles		63,910	\$ 1,598,661
		<u>63,910</u>	
Physical health and social services:			
Physical health services:			
Sanitation		43,023	
Health administration		74	
		<u>43,097</u>	
Services to the poor:			
Administration		34,318	
General welfare services		98,989	
		<u>133,307</u>	
Services to military veterans:			
Administration		32,324	
General services to veterans		8,715	
		<u>41,039</u>	

Schedule 2

Dickinson County

General Fund

Statement of Expenditures

Year ended June 30, 2003

Physical health and social services (continued):

Services to other adults:

Services to the elderly	70,000	
Other social services	54,802	
	<u>124,802</u>	

Chemical dependency:

Treatment services	6,549	
Preventive services	8,721	
	<u>15,270</u>	

357,515

County environment and education:

Environmental quality:

Natural resources conservation	66,208	
Solid waste disposal	297	
	<u>66,505</u>	

Conservation and recreation services:

Administration	52,392	
Maintenance and operations	168,169	
Recreation and environmental education services	49,869	
	<u>270,430</u>	

Animal control:

Animal shelter	2,765	
Animal bounties and state apiarist	199	
	<u>2,964</u>	

County development:

Land use and building controls	63,245	
Economic development	51,495	
	<u>114,740</u>	

Educational services:

Historic preservation	16,800	
Fair and 4-H clubs	36,000	
	<u>52,800</u>	

507,439

Governmental services to residents:

Representation services:

Elections administration	70,657	
Local elections	20,733	
Township officials	811	
	<u>92,201</u>	

Dickinson County
 General Fund
 Statement of Expenditures
 Year ended June 30, 2003

Governmental services to residents (continued):		
State administrative services:		
Motor vehicle registrations and licensing	121,776	
Recording of public documents	149,930	
	<u>271,706</u>	363,907
Administration:		
Policy and administration:		
General County management	225,087	
Administration management services	195,128	
Treasury management services	107,087	
Other policy and administration	34,587	
	<u>561,889</u>	
Central services:		
General services	167,227	
Data processing services	76,408	
	<u>243,635</u>	
Risk management services:		
Tort liability	159,230	
Safety of the workplace	64,216	
Fidelity of public officials	1,349	
	<u>224,795</u>	1,030,319
Non-program:		
County farm operations	169,198	
Other non-program current expenditures	20,641	
Other county enterprise	6,769	196,608
	<u>196,608</u>	
Total		<u>\$ 4,054,449</u>

See accompanying independent auditor's report.

Dickinson County
Special Revenue Funds
Combining Balance Sheet
June 30, 2003

	Mental Health	Rural Services	Secondary Roads	County Recorder's Records Management	Resource Enhancement and Protection	Revolving Economic Development
Assets						
Cash and pooled investments						
County Treasurer	\$ 756,367	209,770	1,582,123	48,086	40,131	81,459
Conservation Foundation	-	-	-	-	-	-
Receivables:						
Property tax:						
Delinquent	460	1,311	-	-	-	-
Succeeding year	400,000	863,000	-	-	-	-
Accounts	-	-	1,021	-	-	-
Accrued interest	-	-	-	16	11	-
Drainage assessments	-	-	-	-	-	-
Economic development loans	-	-	-	-	-	15,175
Due from other funds	-	-	-	1,091	-	-
Due from other governments	-	114,485	105,802	-	-	-
Total assets	\$ 1,156,827	1,188,566	1,688,946	49,193	40,142	96,634
Liabilities and Fund Equity						
Liabilities:						
Accounts payable	\$ 18,686	4,100	213,020	-	-	-
Salaries and benefits payable	1,750	1,024	46,888	-	-	-
Due to other funds	-	-	-	-	-	-
Due to other governments	86,492	-	5,316	-	-	-
Deferred revenue:						
Succeeding year property tax	400,000	863,000	-	-	-	-
Other	439	1,215	-	-	-	15,175
Compensated absences	1,027	-	17,780	-	-	-
Total liabilities	508,394	869,339	283,004	-	-	15,175
Fund equity:						
Fund balance:						
Reserved for:						
Drainage warrants/drainage improvement certificates	-	-	-	-	-	-
Unreserved	648,433	319,227	1,405,942	49,193	40,142	81,459
Total fund equity	648,433	319,227	1,405,942	49,193	40,142	81,459
Total liabilities and fund equity	\$ 1,156,827	1,188,566	1,688,946	49,193	40,142	96,634

See accompanying independent auditor's report.

Confiscated Property	Waste Management Reduction	Watershed Study	Moore Lake Fire TIF	East Okoboji Beach Sewer TIF	Moore Lake Fire Low and Moderate Income	Conservation Foundation	Highway 71 Beautification	Drainage Districts	Total
3	14,997	5,000	224	3,313	-	-	1,330	27,285	2,770,088
-	-	-	-	-	-	25,364	-	-	25,364
-	-	-	-	-	-	-	-	-	1,771
-	-	-	-	117,000	-	-	-	-	1,380,000
-	-	-	-	-	-	-	-	-	1,021
-	-	-	-	-	-	-	-	-	27
-	-	-	-	-	-	-	-	194,046	194,046
-	-	-	-	-	-	-	-	-	15,175
-	-	-	-	-	39,406	-	-	-	40,497
-	-	-	-	-	-	-	-	-	220,287
3	14,997	5,000	224	120,313	39,406	25,364	1,330	221,331	4,648,276
-	-	-	-	-	-	-	-	134	235,940
-	-	-	-	-	-	-	-	-	49,662
-	-	-	224	3,313	-	-	-	-	3,537
-	-	-	-	-	-	-	-	-	91,808
-	-	-	-	117,000	-	-	-	-	1,380,000
-	-	-	-	-	-	-	-	194,046	210,875
-	-	-	-	-	-	-	-	-	18,807
-	-	-	224	120,313	-	-	-	194,180	1,990,629
-	-	-	-	-	-	-	-	1,986	1,986
3	14,997	5,000	-	-	39,406	25,364	1,330	25,165	2,655,661
3	14,997	5,000	-	-	39,406	25,364	1,330	27,151	2,657,647
3	14,997	5,000	224	120,313	39,406	25,364	1,330	221,331	4,648,276

Dickinson County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2003

	Mental Health	Rural Services	Secondary Roads	County Recorder's Records Management	Resource Enhancement and Protecton	Revolving Economic Development
Revenues:						
Property and other County tax:						
Property tax	\$ 390,208	825,804	-	-	-	-
Local option sales tax	-	706,258	-	-	-	-
Tax increment financing revenue	-	-	-	-	-	-
Utility tax replacement excise tax	9,819	13,187	-	-	-	-
Other	1,782	1,739	-	-	-	-
	<u>401,809</u>	<u>1,546,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Intergovernmental:						
State shared revenues:						
Road use tax	-	-	1,460,158	-	-	-
State tax replacements:						
State tax credits	12,144	27,310	-	-	-	-
State allocation	-	67,265	-	-	-	-
Mental health property tax relief	606,364	-	-	-	-	-
	<u>618,508</u>	<u>94,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
State and federal pass-thru revenues:						
Social services block grant	52,600	-	-	-	-	-
Medicaid case management	62,015	-	-	-	-	-
	<u>114,615</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contributions from other governmental units	-	-	3,723	-	-	-
State grants and entitlements:						
Resource enhancement and protection	-	-	-	-	222	-
Payments in lieu of taxes	476	2,036	-	-	-	-
	<u>733,599</u>	<u>96,611</u>	<u>1,463,881</u>	<u>-</u>	<u>222</u>	<u>-</u>
Licenses and permits	-	-	20,638	-	-	-
Charges for service	14,395	-	1,623	11,060	-	-
Use of money and property:						
Interest on investments	-	-	-	1,223	970	-
Other	-	-	9,847	-	-	6,455
	<u>-</u>	<u>-</u>	<u>9,847</u>	<u>1,223</u>	<u>970</u>	<u>6,455</u>

Confiscated Property	Waste Management Reduction	Watershed Study	Moore Lake Fire TIF	East Okoboji Beach Sewer TIF	Moore Lake Fire Low and Moderate Income	Conservation Foundation	Highway 71 Beautification	Historic Site Grant	Drainage Districts	Total
-	-	-	-	-	-	-	-	-	-	1,216,012
-	-	-	-	-	-	-	-	-	-	706,258
-	-	-	105,695	110,315	-	-	-	-	-	216,010
-	-	-	-	-	-	-	-	-	-	23,006
-	-	-	-	-	-	-	-	-	-	3,521
-	-	-	105,695	110,315	-	-	-	-	-	2,164,807
-	-	-	-	-	-	-	-	-	-	1,460,158
-	-	-	912	4,690	-	-	-	-	-	45,056
-	-	-	-	-	-	-	-	-	-	67,265
-	-	-	-	-	-	-	-	-	-	606,364
-	-	-	912	4,690	-	-	-	-	-	718,685
-	-	-	-	-	-	-	-	-	-	52,600
-	-	-	-	-	-	-	-	-	-	62,015
-	-	-	-	-	-	-	-	-	-	114,615
-	-	-	-	-	-	-	30,000	-	1,095	34,818
-	-	-	-	-	-	-	-	20,364	-	20,586
-	-	-	-	-	-	-	-	-	-	2,512
-	-	-	912	4,690	-	-	30,000	20,364	1,095	2,351,374
-	-	-	-	-	-	-	-	-	-	20,638
-	-	-	-	-	-	-	-	-	-	27,078
-	-	-	-	-	-	-	-	-	-	2,193
-	-	-	-	-	-	-	-	-	-	16,302
-	-	-	-	-	-	-	-	-	-	18,495

Dickinson County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2003

	Mental Health	Rural Services	Secondary Roads	County Recorder's Records Management	Resource Enhancement and Protecton	Revolving Economic Development
Revenues (continued):						
Miscellaneous:						
Drainage assessments:	-	-	-	-	-	-
Secondary Road material	-	-	47,294	-	-	-
Other	-	-	37,807	-	-	-
	-	-	85,101	-	-	-
Total revenues	1,149,803	1,643,599	1,581,090	12,283	1,192	6,455
Expenditures:						
Operating:						
Public safety and legal services:						
Law enforcement:						
Uniformed patrol services	-	1,000	-	-	-	-
Legal services:						
Criminal prosecution	-	-	-	-	-	-
Emergency services:						
Ambulance services	-	3,494	-	-	-	-
	-	4,494	-	-	-	-
Mental health:						
Persons with mental health problems - mental illness:						
Information and education	148,415	-	-	-	-	-
General administration	52,836	-	-	-	-	-
Treatment services	3,548	-	-	-	-	-
Vocational and day services	180	-	-	-	-	-
Licensed or certified living arrangements	96,009	-	-	-	-	-
Institutional, hospital, and commitment services	90,545	-	-	-	-	-
	391,533	-	-	-	-	-
Persons with chronic mental illness:						
Coordination services	24,591	-	-	-	-	-
Personal and environmental support	737	-	-	-	-	-
Vocational and day services	70,864	-	-	-	-	-
Licensed or certified living arrangements	114,660	-	-	-	-	-
Institutional, hospital, and commitment services	7,871	-	-	-	-	-
	218,723	-	-	-	-	-

Confiscated Property	Waste Management Reduction	Watershed Study	Moore Lake Fire TIF	East Okoboji Beach Sewer TIF	Moore Lake Fire Low and Moderate Income	Conservation Foundation	Highway 71 Beautification	Historic Site Grant	Drainage Districts	Total
-	-	-	-	-	-	-	-	-	101,800	101,800
-	-	-	-	-	-	-	-	-	-	47,294
425	11,275	-	-	-	-	32,418	10,000	-	-	91,925
425	11,275	-	-	-	-	32,418	10,000	-	101,800	241,019
425	11,275	-	106,607	115,005	-	32,418	40,000	20,364	102,895	4,823,411
-	-	-	-	-	-	-	-	-	-	1,000
1,160	-	-	-	-	-	-	-	-	-	1,160
-	-	-	-	-	-	-	-	-	-	3,494
1,160	-	-	-	-	-	-	-	-	-	5,654
-	-	-	-	-	-	-	-	-	-	148,415
-	-	-	-	-	-	-	-	-	-	52,836
-	-	-	-	-	-	-	-	-	-	3,548
-	-	-	-	-	-	-	-	-	-	180
-	-	-	-	-	-	-	-	-	-	96,009
-	-	-	-	-	-	-	-	-	-	90,545
-	-	-	-	-	-	-	-	-	-	391,533
-	-	-	-	-	-	-	-	-	-	24,591
-	-	-	-	-	-	-	-	-	-	737
-	-	-	-	-	-	-	-	-	-	70,864
-	-	-	-	-	-	-	-	-	-	114,660
-	-	-	-	-	-	-	-	-	-	7,871
-	-	-	-	-	-	-	-	-	-	218,723

Dickinson County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2003

	Mental Health	Rural Services	Secondary Roads	County Recorder's Records Management	Resource Enhancement and Protecton	Revolving Economic Development
Expenditures (continued):						
Operating:						
Mental health:						
Persons with mental retardation:						
Coordination services	48,565	-	-	-	-	-
Vocational and day services	129,614	-	-	-	-	-
Licensed or certified living arrangements	426,441	-	-	-	-	-
Institutional, hospital, and commitment services	68,424	-	-	-	-	-
	<u>673,044</u>	-	-	-	-	-
Persons with other developmental disabilities:						
Coordination services	303	-	-	-	-	-
Vocational and day services	3,801	-	-	-	-	-
Licensed or certified living arrangements	20,786	-	-	-	-	-
	<u>24,890</u>	-	-	-	-	-
	<u>1,308,190</u>	-	-	-	-	-
County environment and education:						
Conservation and recreation services:						
Recreation and environmental education	-	-	-	-	-	-
Environmental quality:						
Weed eradication	-	13,733	-	-	-	-
Solid waste disposal	-	-	-	-	-	-
Environmental restoration	-	94,667	-	-	-	-
	-	<u>108,400</u>	-	-	-	-
County development:						
Economic development	-	-	-	-	-	20,500
Educational services:						
Libraries	-	56,000	-	-	-	-
	-	<u>164,400</u>	-	-	-	20,500
Roads and transportation:						
Secondary roads administration and engineering:						
Administration	-	-	140,798	-	-	-
Engineering	-	-	222,237	-	-	-
	-	-	<u>363,035</u>	-	-	-

Confiscated Property	Waste Management Reduction	Watershed Study	Moore Lake Fire TIF	East Okoboji Beach Sewer TIF	Moore Lake Fire Low and Moderate Income	Conservation Foundation	Highway 71 Beautification	Historic Site Grant	Drainage Districts	Total
-	-	-	-	-	-	-	-	-	-	48,565
-	-	-	-	-	-	-	-	-	-	129,614
-	-	-	-	-	-	-	-	-	-	426,441
-	-	-	-	-	-	-	-	-	-	68,424
-	-	-	-	-	-	-	-	-	-	673,044
-	-	-	-	-	-	-	-	-	-	303
-	-	-	-	-	-	-	-	-	-	3,801
-	-	-	-	-	-	-	-	-	-	20,786
-	-	-	-	-	-	-	-	-	-	24,890
-	-	-	-	-	-	-	-	-	-	1,308,190
-	-	-	-	-	-	26,672	-	-	-	26,672
-	-	-	-	-	-	-	-	-	-	13,733
-	7,163	-	-	-	-	-	-	-	-	7,163
-	-	-	-	-	-	-	-	-	-	94,667
-	7,163	-	-	-	-	-	-	-	-	115,563
-	-	-	-	-	-	-	-	-	-	20,500
-	-	-	-	-	-	-	-	-	-	56,000
-	7,163	-	-	-	-	26,672	-	-	-	218,735
-	-	-	-	-	-	-	-	-	-	140,798
-	-	-	-	-	-	-	-	-	-	222,237
-	-	-	-	-	-	-	-	-	-	363,035

Dickinson County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2003

	Mental Health	Rural Services	Secondary Roads	County Recorder's Records Management	Resource Enhancement and Protecton	Revolving Economic Development
Expenditures (continued):						
Operating:						
Roads and transportation:						
Roadway maintenance:						
Bridges and culvert	-	-	107,761	-	-	-
Roads	-	-	672,101	-	-	-
Snow and ice control	-	-	110,991	-	-	-
Traffic controls	-	-	108,297	-	-	-
Road clearing	-	-	72,334	-	-	-
	-	-	1,071,484	-	-	-
General roadway:						
Equipment	-	-	20,550	-	-	-
Equipment operation	-	-	380,390	-	-	-
Tools, materials, and supplies	-	-	6,553	-	-	-
Real estate and buildings	-	-	167,870	-	-	-
	-	-	575,363	-	-	-
	-	-	2,009,882	-	-	-
Administration:						
Central services:						
General services	-	-	-	-	-	-
Non-program:						
Drainage district construction and repair	-	-	-	-	-	-
Debt service:						
Drainage district warrants paid	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital projects:						
Roadway construction	-	-	1,153,167	-	-	-
Other capital projects	-	-	-	-	-	-
	-	-	1,153,167	-	-	-
Total expenditures	1,308,190	168,894	3,163,049	-	-	20,500

Confiscated Property	Waste Management Reduction	Watershed Study	Moore Lake Fire TIF	East Okoboji Beach Sewer TIF	Moore Lake Fire Low and Moderate Income	Conservation Foundation	Highway 71 Beautification	Historic Site Grant	Drainage Districts	Total
-	-	-	-	-	-	-	-	-	-	107,761
-	-	-	-	-	-	-	-	-	-	672,101
-	-	-	-	-	-	-	-	-	-	110,991
-	-	-	-	-	-	-	-	-	-	108,297
-	-	-	-	-	-	-	-	-	-	72,334
-	-	-	-	-	-	-	-	-	-	1,071,484
-	-	-	-	-	-	-	-	-	-	20,550
-	-	-	-	-	-	-	-	-	-	380,390
-	-	-	-	-	-	-	-	-	-	6,553
-	-	-	-	-	-	-	-	-	-	167,870
-	-	-	-	-	-	-	-	-	-	575,363
-	-	-	-	-	-	-	-	-	-	2,009,882
-	-	-	-	-	-	-	-	40,281	-	40,281
-	-	-	-	-	-	-	-	-	14,130	14,130
-	-	-	-	-	-	-	-	-	87,676	87,676
-	-	-	-	-	-	-	-	-	14,143	14,143
-	-	-	-	-	-	-	-	-	101,819	101,819
-	-	-	-	-	-	-	-	-	-	1,153,167
-	-	-	-	-	-	-	43,350	-	-	43,350
-	-	-	-	-	-	-	43,350	•	-	1,196,517
1,160	7,163	-	-	-	-	26,672	43,350	40,281	115,949	3,698,691

Dickinson County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2003

	Mental Health	Rural Services	Secondary Roads	County Recorder's Records Management	Resource Enhancement and Protecton	Revolving Economic Development
Excess (deficiency) of revenues over (under) expenditures	(158,387)	1,474,705	(1,581,959)	12,283	1,192	(14,045)
Other financing sources (uses):						
Sale of general fixed assets	-	-	525	-	-	-
Operating transfers in (out):						
General	-	-	177,821	-	-	25,000
Special Revenue:						
Rural Services	-	-	1,557,280	-	-	-
Secondary Roads	-	(1,557,280)	-	-	-	-
Debt Service	-	-	-	-	-	-
Proceeds from drainage warrants	-	-	-	-	-	-
Total other financing sources (uses)	-	(1,557,280)	1,735,626	-	-	25,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(158,387)	(82,575)	153,667	12,283	1,192	10,955
Fund balances beginning of year	806,820	401,802	1,252,275	36,910	38,950	70,504
Fund balances end of year	\$ 648,433	319,227	1,405,942	49,193	40,142	81,459

See accompanying independent auditor's report.

Confiscated Property	Waste Management Reduction	Watershed Study	Moore Lake Fire TIF	East Okoboji Beach Sewer TIF	Moore Lake Fire Low and Moderate Income	Conservation Foundation	Highway 71 Beautification	Historic Site Grant	Drainage Districts	Total
(735)	4,112	-	106,607	115,005	-	5,746	(3,350)	(19,917)	(13,054)	1,124,720
-	-	-	-	-	-	-	-	-	-	525
-	-	-	-	-	-	-	-	1,266	-	204,087
-	-	-	-	-	-	-	-	-	-	1,557,280
-	-	-	-	-	-	-	-	-	-	(1,557,280)
-	-	-	(106,607)	(115,005)	39,406	-	-	-	-	(182,206)
-	-	-	-	-	-	-	-	-	7,145	7,145
-	-	-	(106,607)	(115,005)	39,406	-	-	1,266	7,145	29,551
(735)	4,112	-	-	-	39,406	5,746	(3,350)	(18,651)	(5,909)	1,154,271
738	10,885	5,000	-	-	-	19,618	4,680	18,651	33,060	2,699,893
3	14,997	5,000	-	-	39,406	25,364	1,330	-	27,151	3,854,164

Schedule 5

Dickinson County

Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2003

Revenues:			
None		\$	-
Expenditures:			
Debt service:			
Remittances to Iowa Great Lakes			
Sanitary Sewer District for TIF project			<u>115,005</u>
Deficiency of revenues under expenditures			(115,005)
Other financing sources (uses):			
Operating transfers in (out):			
Special Revenue:			
East Okoboji Beach Sewer TIF	\$	115,005	
Moore Lake Fire TIF		106,607	
Moore Lake Fire Low and Moderate Income		<u>(39,406)</u>	<u>182,206</u>
Excess of revenues and other financing sources over expenditures and other financing uses			67,201
Fund balance beginning of year			<u>(67,201)</u>
Fund balance end of year		\$	<u><u>-</u></u>

See accompanying independent auditor's report.

Dickinson County
Trust and Agency Funds
Combining Balance Sheet
June 30, 2003

	Expendable		
	Trust	Agency	Total
Assets			
Cash and pooled investments:			
County Treasurer	\$ 533,272	1,045,686	1,578,958
Other County officials	-	87,822	87,822
Bequest held by bank	72,847	-	72,847
Receivables:			
Property tax:			
Delinquent	-	20,672	20,672
Succeeding year	-	22,575,000	22,575,000
Accounts	5,000	32,951	37,951
Accrued interest	7,163	985	8,148
Special assessments	-	516,660	516,660
Future drainage assessments	-	3,110,830	3,110,830
Due from other governments	16,530	15,899	32,429
Total assets	\$ 634,812	27,406,505	28,041,317
Liabilities and Fund Equity			
Liabilities:			
Accounts payable	\$ 11,682	20,956	32,638
Salaries and benefits payable	-	10,237	10,237
Due to other funds	-	74,301	74,301
Due to other governments	42,605	24,165,588	24,208,193
Trusts payable	-	20,874	20,874
Drainage warrants payable	-	3,106,548	3,106,548
Compensated absences	-	8,001	8,001
Total liabilities	54,287	27,406,505	27,460,792
Fund equity:			
Unreserved fund balance	580,525	-	580,525
Total liabilities and fund equity	\$ 634,812	27,406,505	28,041,317

See accompanying independent auditor's report.

Schedule 7

Dickinson County
 Expendable Trust Funds
 Combining Balance Sheet
 June 30, 2003

	Conservation					
	Land Acquisition Trust	Dickinson County Trails	Ray D. Smith Trust	KUOO Telethon Trust	Courthouse Trust	Total
Assets						
Cash and pooled investments						
County Treasurer	\$ 129,340	396,025	-	7,358	549	533,272
Bequest held by bank	-	-	72,847	-	-	72,847
Receivables:						
Accounts	-	5,000	-	-	-	5,000
Accrued interest	15	7,148	-	-	-	7,163
Due from other governments	-	16,530	-	-	-	16,530
Total assets	\$ 129,355	424,703	72,847	7,358	549	634,812
Liabilities and Fund Equity						
Liabilities:						
Accounts payable	\$ 8,454	3,228	-	-	-	11,682
Due to other governments	42,605	-	-	-	-	42,605
Total liabilities	51,059	3,228	-	-	-	54,287
Fund equity:						
Unreserved fund balances	78,296	421,475	72,847	7,358	549	580,525
Total liabilities and fund equity	\$ 129,355	424,703	72,847	7,358	549	634,812

See accompanying independent auditor's report.

Dickinson County

Expendable Trust Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2003

	Conservation					Total
	Land Acquisition Trust	Dickinson County Trails	Ray D. Smith Trust	KUOO Telethon Trust	Courthouse Memorial	
Revenues:						
Intergovernmental:						
Contributions from other governmental units	\$ 22,459	-	-	-	-	22,459
State grants and entitlements:						
Recreation trails program grant	-	16,530	-	-	-	16,530
	22,459	16,530	-	-	-	38,989
Use of money and property:						
Interest on investments	2,445	14,242	886	18	5	17,596
Miscellaneous:						
Donations	9,287	53,145	-	-	-	62,432
Total revenues	34,191	83,917	886	18	5	119,017
Expenditures:						
County environment and education:						
Environmental quality:						
Natural resources conservation	51,059	-	-	-	-	51,059
Conservation and recreation services:						
Recreation and environmental education services	-	55,833	-	-	-	55,833
	51,059	55,833	-	-	-	106,892
Capital projects:						
Conservation land acquisition and development	16,500	-	-	-	-	16,500
Total expenditures	67,559	55,833	-	-	-	123,392
Excess (deficiency) of revenues over (under) expenditures	(33,368)	28,084	886	18	5	(4,375)
Fund balances beginning of year	111,664	393,391	71,961	7,340	544	584,900
Fund balances end of year	\$ 78,296	421,475	72,847	7,358	549	580,525

See accompanying independent auditor's report.

Dickinson County
Agency Funds
Combining Balance Sheet
June 30, 2003

	County Offices			Agricultural Extension Education	County Assessor
	County Auditor	County Recorder	County Sheriff		
Assets					
Cash and pooled investments:					
County Treasurer	\$ -	-	-	1,097	56,705
Other County officials	20	54,638	33,164	-	-
Receivables:					
Property tax:					
Delinquent	-	-	-	164	435
Succeeding year	-	-	-	149,000	396,000
Accounts	-	9,950	-	-	-
Accrued interest	-	-	-	-	-
Special assessments	-	-	-	-	-
Future drainage assessments	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total assets	\$ 20	64,588	33,164	150,261	453,140
Liabilities					
Accounts payable	\$ -	-	-	-	293
Salaries and benefits payable	-	-	-	-	7,516
Due to other funds	20	30,441	33,136	-	-
Due to other governments	-	34,147	28	150,261	437,330
Trusts payable	-	-	-	-	-
Drainage warrants payable	-	-	-	-	-
Compensated absences	-	-	-	-	8,001
Total liabilities	\$ 20	64,588	33,164	150,261	453,140

Schools	Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax
86,379	6,043	47,202	1,794	716	395,880
-	-	-	-	-	-
12,857	906	4,811	360	-	-
11,783,000	826,000	6,682,000	285,000	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	516,660	-
-	-	-	-	-	-
-	-	-	-	-	-
11,882,236	832,949	6,734,013	287,154	517,376	395,880
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	10,704
11,882,236	832,949	6,734,013	287,154	517,376	385,176
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
11,882,236	832,949	6,734,013	287,154	517,376	395,880

Dickinson County
 Agency Funds
 Combining Balance Sheet
 June 30, 2003

	Iowa Great Lakes Sanitary Sewer District	County Hospital	Rural Water Delinquent	Brucellosis and Tuberculosis Eradication	Advance Tax
Assets					
Cash and pooled investments:					
County Treasurer	13,505	766	392	709	20,874
Other County officials	-	-	-	-	-
Receivables:					
Property tax:					
Delinquent	1,019	115	-	5	-
Succeeding year	2,350,000	100,000	-	4,000	-
Accounts	-	-	-	-	-
Accrued interest	-	-	-	-	-
Special assessments	-	-	-	-	-
Future drainage assessments	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total assets	2,364,524	100,881	392	4,714	20,874
Liabilities					
Accounts payable	-	-	-	-	-
Salaries and benefits payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	2,364,524	100,881	392	4,714	-
Trusts payable	-	-	-	-	20,874
Drainage warrants payable	-	-	-	-	-
Compensated absences	-	-	-	-	-
Total liabilities	2,364,524	100,881	392	4,714	20,874

See accompanying independent auditor's report.

State Tax Credits	Emergency Management Services	E911	E911 Loan	City Drainage Districts	Water Quality Commission	Total
1	26,154	335,082	-	357	52,030	1,045,686
-	-	-	-	-	-	87,822
-	-	-	-	-	-	20,672
-	-	-	-	-	-	22,575,000
-	-	22,784	217	-	-	32,951
-	-	985	-	-	-	985
-	-	-	-	-	-	516,660
-	-	-	-	3,110,830	-	3,110,830
-	-	-	15,899	-	-	15,899
1	26,154	358,851	16,116	3,111,187	52,030	27,406,505
-	5,734	411	7,636	4,282	2,600	20,956
-	2,721	-	-	-	-	10,237
-	-	-	-	-	-	74,301
1	17,699	358,440	8,480	357	49,430	24,165,588
-	-	-	-	-	-	20,874
-	-	-	-	3,106,548	-	3,106,548
-	-	-	-	-	-	8,001
1	26,154	358,851	16,116	3,111,187	52,030	27,406,505

Dickinson County

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 2003

	County Offices			Agricultural	County
	County Auditor	County Recorder	County Sheriff	Extension Education	Assessor
Assets and Liabilities					
Balances beginning of year	\$ 20	42,147	28,763	144,269	441,999
Additions:					
Property and other County tax	-	-	-	149,893	398,890
E911 surcharge	-	-	-	-	-
State tax credits	-	-	-	4,345	11,500
State allocation	-	-	-	-	1,605
Office fees and collections	-	633,612	70,198	-	-
Auto licenses, use tax and postage	-	-	-	-	-
Assessments	-	-	-	-	-
Trusts	-	25	10,552	-	-
Miscellaneous	-	-	-	170	2,578
Total additions	-	633,637	80,750	154,408	414,573
Deductions:					
Agency remittances:					
To other funds	-	280,350	65,358	-	-
To other governments	-	330,821	432	148,416	403,432
Trusts paid out	-	25	10,559	-	-
Total deductions	-	611,196	76,349	148,416	403,432
Balances end of year	\$ 20	64,588	33,164	150,261	453,140

Schools	Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Iowa Great Lakes Sanitary District	County Hospital
11,367,043	794,382	7,675,246	267,788	265,817	309,641	2,319,158	101,002
11,845,617	830,542	6,650,567	284,314	-	-	2,351,854	100,402
-	-	-	-	-	-	-	-
341,712	23,930	168,683	8,140	-	-	43,737	3,032
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	4,227,414	-	-
-	-	-	-	335,407	-	16,307	-
-	-	-	-	-	-	-	-
13,023	939	-	501	-	-	-	119
12,200,352	855,411	6,819,250	292,955	335,407	4,227,414	2,411,898	103,553
-	-	-	-	-	116,950	-	-
11,685,159	816,844	7,760,483	273,589	83,848	4,024,225	2,366,532	103,674
-	-	-	-	-	-	-	-
11,685,159	816,844	7,760,483	273,589	83,848	4,141,175	2,366,532	103,674
11,882,236	832,949	6,734,013	287,154	517,376	395,880	2,364,524	100,881

Dickinson County

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 2003

	Rural Water System Drainage	Rural Water Delinquent	Brucellosis and Tuberculosis Eradication	Advance Tax	State Tax Credit
Assets and Liabilities					
Balance beginning of year	1,547	194	4,590	15,035	1
Additions:					
Property and other County tax	-	-	4,109	-	-
E911 surcharge	-	-	-	-	-
State tax credits	-	-	124	-	-
State allocation	-	-	-	-	-
Office fees and collections	-	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-	-
Assessments	-	-	-	-	-
Trusts	-	-	-	-	-
Miscellaneous	-	841	5	45,898	-
Total additions	-	841	4,238	45,898	-
Deductions:					
Agency remittances:					
To other funds	-	-	-	-	-
To other governments	1,547	643	4,114	-	-
Trusts paid out	-	-	-	40,059	-
Total deductions	1,547	643	4,114	40,059	-
Balances end of year	-	392	4,714	20,874	1

See accompanying independent auditor's report.

Emergency Management Services	E911	E911 Loan	Tax Sale Redemption Trust	City Drainage District	Water Quality Commission	Total
51,233	294,701	2,050	-	284,397	-	24,411,023
-	-	-	-	-	-	22,616,188
-	100,546	-	-	-	-	100,546
-	-	-	-	-	-	605,203
-	-	-	-	-	-	1,605
-	-	-	-	-	-	703,810
-	-	-	-	-	-	4,227,414
-	-	-	-	649,529	-	1,001,243
-	-	-	149,935	-	-	160,512
56,944	11,090	19,579	-	-	100,962	252,649
56,944	111,636	19,579	149,935	649,529	100,962	29,669,170
-	-	-	-	-	-	462,658
82,023	47,486	9,072	-	929,287	48,932	29,120,559
-	-	-	149,935	-	-	200,578
82,023	47,486	9,072	149,935	929,287	48,932	29,783,795
26,154	358,851	12,557	-	4,639	52,030	24,296,398

Schedule 11

Dickinson County

Comparison of Taxes and Intergovernmental Revenues

	Years ended June 30,			
	2003	2002	2001	2000
Taxes:				
Property tax	\$ 4,186,420	3,964,224	3,366,007	3,341,350
Local option sales tax	941,677	834,927	807,633	964,377
Hotel/motel tax	78,755	56,993	50,675	31,074
Tax increment financing revenue	216,010	85,152	36,023	31,472
Utility tax replacement excise tax	97,754	101,640	86,653	-
Other	17,083	14,360	16,504	15,993
	<u>5,537,699</u>	<u>5,057,296</u>	<u>4,363,495</u>	<u>4,384,266</u>
Intergovernmental:				
State shared revenues:				
Road use tax	1,460,158	1,469,442	1,409,091	1,429,581
Other	46,281	27,937	29,167	21,316
State tax replacements:				
State tax credits	137,498	156,274	145,584	126,810
State allocation	67,265	70,873	72,061	72,269
Mental health property tax relief	606,364	606,364	606,364	606,364
Other	-	-	164,423	63,835
State and federal pass-thru revenues:				
Social services block grant	52,600	57,786	57,920	57,195
Other	187,353	256,294	404,334	423,478
Contributions and reimbursements from other governmental units:				
Project reimbursements	16,530	46,040	24,562	128,702
Other	124,212	75,040	61,523	65,624
State grants and entitlements:				
MH/DD community service funds	-	-	94,566	86,479
Juvenile justice	8,195	12,465	5,550	33,075
Other	31,800	-	-	-
Payments in lieu of taxes	6,139	-	3,955	6,089
	<u>2,744,395</u>	<u>2,778,515</u>	<u>3,079,100</u>	<u>3,120,817</u>
Total	<u>\$ 8,282,094</u>	<u>7,835,811</u>	<u>7,442,595</u>	<u>7,505,083</u>

See accompanying independent auditor's report.



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

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

To the Officials of Dickinson County:

We have audited the general purpose financial statements of Dickinson County, Iowa, as of and for the year ended June 30, 2003, and have issued our report thereon dated October 7, 2003. Our report expressed a qualified opinion on the financial statements due to the omission of the general fixed assets account group and the materials and supplies inventories pertaining primarily to the Special Revenue Funds, which should be included in order to conform with U.S. generally accepted accounting principles. 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 Dickinson 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, 2003 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 (2), (7), (10) and (11).

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Dickinson 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 Dickinson 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, we believe none of the reportable conditions described above are material weaknesses. Prior year reportable conditions have not been resolved and are repeated as items (A), (B), (C), (D), (E) and (F).

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Dickinson County and other parties to whom Dickinson 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 Dickinson County during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

DAVID A. VAUDT, CPA
Auditor of State

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

October 7, 2003

Dickinson County
Schedule of Findings
Year ended June 30, 2003

Findings Related to the General Purpose Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

REPORTABLE CONDITIONS:

- (A) Information Systems – The following weaknesses in the County’s computer based systems were noted:

The County does not have written policies for:

- Password privacy and confidentiality.
- Usage of the internet.
- Personal use of computer equipment and software.
- Requiring computer terminals to be logged off before being left unattended for an extended period of time.

Also, the County does not have a written disaster recovery plan and does not require back up tapes to be stored off site daily in a fire proof vault or safe. In addition, the personal bank account numbers of the employees making electronic fund transfers (EFT’s) are not restricted.

Recommendation – The County should develop written policies addressing the above items in order to improve the County’s control over computer based systems. A written disaster recovery plan should be developed and back-up tapes should be stored off site daily in a fireproof vault or safe. The personal bank account numbers of the employees making electronic fund transfers should be restricted.

Response – Development of the above referenced written policies has been one of the efforts of the County Technology Committee. A written Courthouse Emergency Action Plan has been written, but has not yet been approved or adopted by the Board. Both policies are an ongoing project of the County Technology Committee, which is made up of elected and non-elected county officials, or their designee. The County will continue its efforts to compile and adopt the above written policies.

Conclusion – Response accepted.

- (B) County Sheriff – The County Sheriff received proceeds from forfeited and confiscated property. These collections were not reflected in the County’s accounting system and have not been included in the County’s annual budget or monthly financial reports.

Recommendation – The activity for the forfeited and confiscated property collections should be included in the County’s annual budget and financial statements. Proceeds are accepted by the County with the understanding that they are for additional law enforcement efforts. This means monies so designated are not to replace those already budgeted. The revenues and expenditures of proceeds of this type may require a budget amendment at some time before the end of the fiscal year. All proceeds disbursed should be charged to the appropriate expenditure account in accordance with the Uniform Chart of Accounts for County governments in Iowa.

Dickinson County

Schedule of Findings

Year ended June 30, 2003

Response – We will try and get this in the budget.

Conclusion – Response accepted.

- (C) County Treasurer – The County utilizes computer software to print prenumbered miscellaneous receipts. The computer software does not require an explanation for why a receipt was voided and does not prohibit receipts that have been issued from being changed prior to the daily update. In addition, voided receipts are not reviewed by an independent person. There are some treasurer's checks that are over two years old that have not been remitted to the General Fund as unclaimed fees.

Recommendation – The Treasurer should consult with the computer software vendor to add controls to require written explanations for why a receipt is voided and to prohibit receipts that have been issued from being changed prior to the daily update without a written explanation. In addition, voided receipts should be reviewed by an independent person for propriety and the review should be evidenced by the initials of the independent person and the date reviewed. The Treasurer should remit the outstanding checks that are over two years old to the General Fund.

Response – I will again speak to our software company to ask for a change. I will have an independent person check and initial any voided miscellaneous receipt. I will proceed to transfer checks over two years old to the General Fund.

Conclusion – Response accepted.

- (D) Fixed Asset Records and Inventory – Detailed fixed asset records and inventory balances are not maintained as required by U.S. generally accepted accounting principles.

Recommendation – Fixed assets should be reported at cost or estimated historical cost where historical cost is not available. The County should develop a system to document additions and deletions for fixed assets. Also, inventory balances at the end of the fiscal year should be available based on either a perpetual or periodic inventory system. This should be done to comply with GASB 34 for next fiscal year.

Response – The County is currently working towards compliance with GASB 34 for the next fiscal year, including detailed fixed asset records and inventory balances. A preliminary Capital Asset Capitalization Policy has been written and presented to the Board of Supervisors, but has not yet been adopted. The County expects to be in compliance with GASB 34 for the upcoming fiscal year.

Conclusion – Response accepted.

- (E) County Board of Supervisors – The County owns vehicles for use by various employees while on County business. The County has not established a formal policy to regulate the use of these vehicles.

Recommendation – The County should adopt a formal written policy regulating the use of County vehicles. The policy should include provisions for incidental personal use, commuting, assignment of vehicles, documentation required, restricted vehicle users, reimbursement by employees for personal use, and reporting additional compensation for employees.

Dickinson County

Schedule of Findings

Year ended June 30, 2003

Response – This recommendation will be referred to the County Attorney to prepare a written policy for vehicle use to be adopted by the Board of Supervisors.

Conclusion – Response accepted.

- (F) Accounting Procedures Manuals – We encourage the development of office procedures and standardized accounting manuals for all County offices. These manuals should provide the following benefits:

1. Aid in training additional or replacement personnel.
2. Help achieve uniformity in accounting and in the application of policies and procedures.
3. Save supervisory time by recording decisions so that they will not have to be made each time the same, or a similar, situation arises.

Recommendation – Office procedures and accounting manuals should be prepared for all County offices.

Response – This recommendation has been taken under advisement and will be presented at the next department head meeting for discussion.

Conclusion – Response accepted.

- (G) Time Sheets – Certain employees, other than elected officials, were not required to submit time sheets.

Recommendation – Time sheets should be submitted by all employees except elected officials. For internal control, as well as for potential legal claims (payroll dispute/grievance), time sheets would provide an accurate record of hours worked. Time sheets also provide a record and documentation of authorized absences from work (vacation, sick leave, etc.), or any other variations from the normal work week. The supervisory review and approval should provide assurance the time sheet is correct.

Response – This recommendation has been taken under advisement by the Board.

Conclusion – Response accepted.

- (H) Planning and Zoning – Receipts were not always deposited with the County Treasurer timely and intact.

Recommendation – All receipts should be deposited with the County Treasurer timely and intact.

Response – The Planning and Zoning Department will do everything possible to comply with the above recommendation.

Conclusion – Response accepted.

Dickinson County
Schedule of Findings
Year ended June 30, 2003

Other Findings Related to Required Statutory Reporting:

- (1) Official Depositories – A resolution naming official depositories has been adopted by the Board of Supervisors. The maximum deposit amounts stated in the resolution were not exceeded during the year, except for deposits for the Dickinson County Recorder at First Bank and Trust.

Recommendation – A new resolution believed to be sufficient to cover anticipated balances at all depositories should be adopted by the Board of Supervisors.

Response – The Board has approved a new resolution in an amount sufficient to cover anticipated balances at all depositories.

Conclusion – Response accepted.

- (2) Certified Budget – Disbursements during the year ended June 30, 2003 exceeded the amount budgeted in the non-program and debt service functions. Although disbursements by department did not exceed the amounts appropriated at June 30, 2003, disbursements in certain departments did exceed the amounts appropriated before amendments to the appropriations were made. In addition, the amended appropriations exceeded the amended budget.

Recommendation – The budget should have been amended in accordance with Chapter 331.435 of the Code of Iowa before disbursements were allowed to exceed the budget.

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

Appropriations should not exceed the amount budgeted.

Response – The recommendations have been taken under advisement by the Board of Supervisors and every effort will be made to comply with the cited Code section.

Conclusion – Response accepted.

- (3) Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- (4) Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- (5) Business Transactions – Business transactions between the County and County officials or employees are detailed as follows:

Dickinson County

Schedule of Findings

Year ended June 30, 2003

Name, Title and Business Connection	Transaction Description	Amount
Robert Bringle, Deputy Sheriff	Sheet rock walls in Sheriff's Office	\$ 150

In accordance with Chapter 331.342(10) of the Code of Iowa, this transaction does not appear to represent a conflict of interest since total transactions were less than \$1,500 during the fiscal year.

- (6) Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. However, the amount of all bonds should be periodically reviewed to insure the coverage is adequate for current operations.
- (7) Board Minutes – Except for the following, no transactions were found that we believe should have been approved in the Board minutes, but were not:

The Board went into closed session on June 24, 2003 to discuss personnel issues, but the minutes did not record a request of the person whose performance was being discussed prior to going into closed session.

The Board minutes for the meetings from January 1, 2003 through June 17, 2003 were not published. The minutes that were published were not always published timely.

The Board minutes did not reference a specific code exemption as required by Chapter 21.5 of the Code of Iowa when the Board went into closed session on September 3, 2002, January 16, 2003 and June 24, 2003.

Recommendation – The Board minutes should document the person whose personnel issues were to be discussed requested a closed session and that person was present during the closed session. The Board should insure all the minutes are published and they are published timely as required by Chapter 349.18 of the Code of Iowa. The Board minutes should reference a specific code exemption as required when going into closed session.

Response – The recommendations have been taken under advisement by the Board of Supervisors and efforts will be made to comply with the cited Code sections.

Conclusion – Response accepted.

- (8) Deposits and Investments – Except as noted above, no instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.
- (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).

Dickinson County

Schedule of Findings

Year ended June 30, 2003

- (10) County Sheriff's Quarterly Report – Quarterly reports were not filed by the County Sheriff with the Board of Supervisors as required by Chapter 331.655(3) of the Code of Iowa.

Recommendation – The County Sheriff should file quarterly reports with the Board of Supervisors for approval as required by Chapter 331.655(3) of the Code of Iowa.

Response – These reports are now being supplied.

Conclusion – Response accepted.

- (11) Dickinson County Employee Group Health Fund – The County provides employees health insurance and other benefits through a partially funded self-insured benefit plan. Chapter 509A.15 of the Code of Iowa requires the County to obtain an actuarial opinion issued by a fellow of the Society of Actuaries which attests to the adequacy of reserves, rates and the financial condition of the plan.

Recommendation – The County should obtain an actuarial opinion, issued by a fellow of the Society of Actuaries, as required.

Response – This recommendation has been taken under advisement by the Board of Supervisors.

Conclusion – Response accepted.

- (12) Electronic Check Retention – Chapter 554D.114 of the Code of Iowa allows County Officials to retain cancelled checks in an electronic format and requires retention in this manner to include an image of both the front and back of each cancelled check. Some County Officials retain cancelled checks through electronic image, but do not obtain an image of the back of each cancelled check as required.

Recommendation – The County Officials should obtain and retain an image of both the front and back of each cancelled check as required.

Response – This recommendation has been taken under advisement and will be discussed with the appropriate County Officials.

Conclusion – Response accepted.

- (13) 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, 2003 for the County Extension Office did not exceed the amount budgeted.

Dickinson County

Schedule of Findings

Year ended June 30, 2003

Chapter 554D.114 of the Code of Iowa allows County Officials to retain cancelled checks in an electronic format and requires retention in this manner to include an image of both the front and back of each cancelled check. The County Extension Office retains cancelled checks through electronic image, but does not obtain an image of the back of each cancelled check as required.

Recommendation – The County Extension Office should obtain and retain an image of both the front and back of each cancelled check as required.

Response – We visited with our financial institutions and requested images of both the front and back of each cancelled check. We have been receiving images of both sides of cancelled checks starting with the September, 2003 statement. We will continue to monitor each monthly statement to make sure images of both sides are received and reviewed.

Conclusion – Response accepted.

Dickinson County

Staff

This audit was performed by:

Steven M. Nottger, CPA, Manager
James L. Blekfeld, CPA, Senior Auditor
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