OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Des Moines, Iowa 50319-0004

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Mary Mosiman, CPA
Auditor of State

NEWS RELEASE

Contact: Andy Nielsen
515/281-5834

FOR RELEASE January 25, 2016

Auditor of State Mary Mosiman today released an audit report on Dickinson County, Iowa.

The County had local tax revenue of $46,973,150 for the year ended June 30, 2015, which included $1,738,461 in tax credits from the state. The County forwarded $37,991,113 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained $8,982,037 of the local tax revenue to finance County operations, a 4.3% increase over the prior year. Other revenues included charges for service of $1,274,139, operating grants, contributions and restricted interest of $3,456,249, capital grants, contributions and restricted interest of $490,801, tax increment financing of $601,203, local option sales tax of $1,178,130, hotel/motel tax of $52,385, unrestricted investment earnings of $156,307 and other general revenues of $238,070.

Expenses for County operations for the year ended June 30, 2015 totaled $14,150,528, a 1.8% increase over the prior year. Expenses included $4,754,412 for roads and transportation, $2,403,821 for public safety and legal services and $2,151,386 for administration.

A copy of the audit report is available for review in the County Auditor's Office, in the Office of Auditor of State and on the Auditor of State's web site at http://auditor.iowa.gov/reports/1510-0030-B00F.pdf.

# # #

DICKINSON COUNTY

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS

JUNE 30, 2015

1510-0030-B00F

Table of Contents

Dickinson County

Officials

(Before January 2015)

Name	Title	Term Expires
Mardi Allen	Board of Supervisors	Jan 2015
Paul Johnson	Board of Supervisors	Jan 2015
William Leupold	Board of Supervisors	Jan 2015
David Gottsche	Board of Supervisors	Jan 2017
Pam Jordan	Board of Supervisors	Jan 2017
Nancy Reiman	County Auditor	(Retired Dec 2013)
Lori Pedersen (Appointed)	County Auditor	Nov 2014
Kris Rowley	County Treasurer	Jan 2015
Ann Ditsworth	County Recorder	Jan 2015
Gregory Baloun	County Sheriff	Jan 2017
Jon M. Martin	County Attorney	Jan 2015
Stephanie Sohn	County Assessor	Jan 2016

(After January 2015)

David Gottsche	Board of Supervisors	Jan 2017
Pam Jordan	Board of Supervisors	Jan 2017
Mardi Allen	Board of Supervisors	Jan 2019
Paul Johnson	Board of Supervisors	Jan 2019
William Leupold	Board of Supervisors	Jan 2019
Lori Pedersen	County Auditor	Jan 2017
Kris Rowley	County Treasurer	Jan 2019
Ann Ditsworth	County Recorder	Jan 2019
Gregory Baloun	County Sheriff	Jan 2017
Jon M. Martin	County Attorney	Jan 2019
Stephanie Sohn	County Assessor	Jan 2020

Dickinson County

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Mary Mosiman, CPA
Auditor of State

Independent Auditor's Report

To the Officials of Dickinson County:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Dickinson County, Iowa, as of and for the year ended June 30, 2015, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Dickinson County as of June 30, 2015, and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of a Matter

As discussed in Note 20 to the financial statements, Dickinson County adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County Contributions and the Schedule of Funding Progress for the Retiree Health Plan on pages 9 through 16 and 60 through 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dickinson County's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2014 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 19, 2016 on our consideration of Dickinson County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Dickinson County's internal control over financial reporting and compliance.

Mary Mosiman
MARY MOSIMAN, CPA
Auditor of State

Warren Jenkins
WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

January 19, 2016

Dickinson County

MANAGEMENT'S DISCUSSION AND ANALYSIS

Dickinson County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2015. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2015 FINANCIAL HIGHLIGHTS

- The County implemented Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27, during fiscal year 2015. The beginning net position for governmental activities was restated by $2,977,049 to retroactively report the net pension liability as of July 1, 2014 and deferred outflows of resources related to contributions made after June 30, 2013 but prior to July 1, 2014. The pension expense for fiscal year 2014 and the net pension liability, deferred outflows of resources and deferred inflows of resources at June 30, 2014 were not restated because the information needed to restate those amounts was not available.

- Revenues of the County's governmental activities decreased 6.4%, or approximately $1,124,000, from fiscal year 2014 to fiscal year 2015. Property and other county tax increased approximately $201,000, operating grants, contributions and restricted interest decreased approximately $182,000 and capital grants, contributions and restricted interest decreased approximately $814,000.

- Program expenses of the County's governmental activities increased 1.8%, or approximately $246,000, over fiscal year 2014. Roads and transportation expenses increased 14.1%, or approximately $586,000, over fiscal year 2014. County environment and education expenses decreased approximately $463,000 while non-program expenses increased approximately $158,000.

- The County's net position at June 30, 2015 increased 5.4%, or approximately $2,279,000, over the restated June 30, 2014 balance.

USING THIS ANNUAL REPORT

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

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

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

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

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

Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year, the County's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Funding Progress for the Retiree Health Plan.

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

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

The Statement of Net Position presents financial information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in the County's net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

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

Fund Financial Statements

The County has three kinds of funds:

1) Governmental funds account for most of the County's basic services. These focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Mental Health, Rural Services, Secondary Roads and TIF (Tax Increment Financing) and Urban Renewal, and 3) the Debt Service Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

The required financial statements for governmental funds include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

2) A proprietary fund accounts for the County's Internal Service, Employee Group Health Fund. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions.

The required financial statements for proprietary funds include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.

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

The required financial statement for fiduciary funds is a Statement of Fiduciary Assets and Liabilities.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

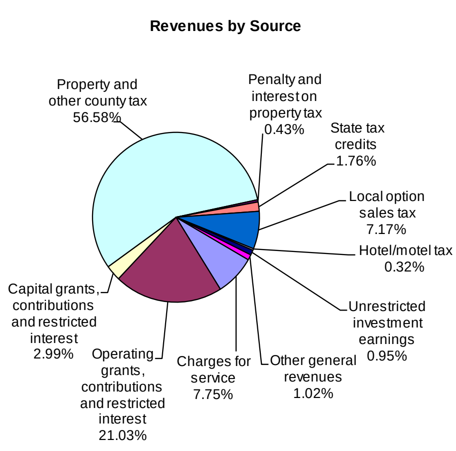
As noted earlier, net position may serve over time as a useful indicator of financial position. Dickinson County's combined net position decreased from approximately $45.2 million at June 30, 2014 to approximately $44.5 million at June 30, 2015. The analysis that follows focuses on the changes in the net position of governmental activities.

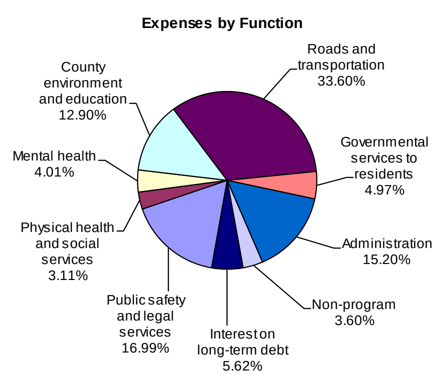
Net Position of Governmental Activities
(Expressed in Thousands)

	June 30, 2015	June 30, 2014 (Not Restated)
Current and other assets	$ 37,963	37,902
Capital assets	45,858	45,869
Total assets	83,821	83,771
Deferred outflows of resources	536	-
Long-term liabilities	27,909	27,952
Other liabilities	1,266	1,194
Total liabilities	29,175	29,146
Deferred inflows of resources	10,667	9,412
Net position:		
Invested in capital assets	34,500	33,231
Restricted	8,095	7,815
Unrestricted	1,920	4,167
Total net position	$ 44,515	45,213

Prior to restatement, the net position of Dickinson County's governmental activities decreased approximately 1.5% (approximately $44.5 million compared to approximately $45.2 million). A large portion of the County's net position is invested in capital assets (e.g. land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how it can be used. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased from approximately $4,167,000 at June 30, 2014 to approximately $1,920,000 at the end of this year, a decrease of 53.9%, primarily due to recording the net pension liability as of July 1, 2015.

Changes in Net Position of Governmental Activities (Expressed in Thousands)		
	Year ended June 30,	
	2015	2014 (Not Restated)
Revenues:		
Program revenues:		
Charges for service	$ 1,274	1,633
Operating grants, contributions and restricted interest	3,456	3,638
Capital grants, contributions and restricted interest	491	1,305
General revenues:		
Property and other county tax, including tax increment financing	9,295	9,094
Penalty and interest on property tax	71	72
State tax credits	289	144
Local option sales tax	1,178	1,177
Hotel/motel tax	52	87
Unrestricted investment earnings	156	122
Other general revenues	168	282
Total revenues	16,430	17,554
Program expenses:		
Public safety and legal services	2,404	2,341
Physical health and social services	440	491
Mental health	567	460
County environment and education	1,826	2,289
Roads and transportation	4,755	4,169
Governmental services to residents	703	702
Administration	2,151	2,292
Non-program	510	352
Interest on long-term debt	795	809
Total expenses	14,151	13,905
Change in net position	2,279	3,649
Net position beginning of year, as restated	42,236	41,564
Net position end of year	$ 44,515	45,213





The County's taxable valuation increase of approximately 2.7% resulted in an increase in the County's property tax revenue of approximately $201,000 for fiscal year 2015. Based on a small increase in the taxable valuation and a slight decrease in levy rates for fiscal year 2016, property tax is expected to increase slightly next year.

INDIVIDUAL MAJOR FUND ANALYSIS

As Dickinson County completed the year, its governmental funds reported a combined fund balance of approximately $26.9 million, an increase of approximately $91,000 over last year's total of approximately $26.8 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues increased approximately $113,000 and expenditures decreased approximately $235,000. The ending fund balance increased approximately $462,000 over the prior year to approximately $5.0 million. The increase in revenue was due primarily to an increase in property and other county tax as a result of an increase in taxable valuations.

- The County has continued to look for ways to effectively manage the cost of mental health services. Expenditures for the year totaled approximately $570,000, an increase of approximately $111,000 over the prior year. Revenues decreased approximately $385,000 due, in part, to the receipt of approximately $386,000 of equalization funds as a result of the reorganization of mental health services in fiscal year 2014. The Special Revenue, Mental Health Fund balance at year end increased approximately $1,000 over the prior year. In fiscal year 2015, the County became part of the Northwest Iowa Care Connections Region.

- Special Revenue, Rural Services Fund revenues increased approximately $230,000. This was primarily due to an increase in local option sales tax of approximately $161,000 and an increase in property tax of approximately $46,000. Expenditures increased approximately $32,000, due primarily to the installation of emergency sirens throughout the County. This resulted in the ending fund balance increasing approximately $216,000 to approximately $1,131,000 at June 30, 2015.

- Special Revenue, Secondary Roads Fund expenditures decreased approximately $710,000, or 13.3%, from the prior year, due primarily to the completion of a major road project in fiscal year 2014. Secondary Roads Fund revenues decreased approximately $196,000, primarily due to a decrease in state reimbursements for a bridge replacement project. The Secondary Roads Fund ending balance increased approximately $334,000, or 9.4%.

- The Special Revenue, TIF and Urban Renewal Fund reported a decrease in revenues of approximately $19,000, or 2.9%. TIF and Urban Renewal Fund expenditures increased approximately $44,000. This was primarily due to a developer payment for work at East Okoboji Beach. The balance in the fund at June 30, 2015 was approximately $451,000.

- Revenues of the Debt Service Fund increased approximately $68,000. Expenditures increased approximately $80,000 as a result of additional principal and interest paid in fiscal year 2015. Debt service payments were approximately $2.6 million in fiscal year 2015. The ending fund balance in the Debt Service Fund decreased approximately $908,000. The fund balance is large because the related debt for the Lakes Regional Hospital of $13,690,000 is not recorded as a fund liability under the modified accrual basis of accounting.

BUDGETARY HIGHLIGHTS

Over the course of the year, Dickinson County amended its budget one time. The amendment was made on September 16, 2014 to increase the budget in the nonprogram function for the case management and integrated health homes program and resulted in an increase in budgeted disbursements of $40,000.

The County's receipts were $974,426 less than budgeted, a variance of 5.8%. The most significant variance resulted from the County collecting less intergovernmental receipts than anticipated.

Total disbursements were $3,452,889 less than the amended budget. Actual disbursements for the roads and transportation function were approximately $1,300,000 less than the budgeted amount because fewer road projects were undertaken than anticipated. Actual disbursements for the county environment and education function were approximately $1,100,000 less than budgeted due to trail projects being delayed until fiscal year 2016.

Even with the budget amendment, the County exceeded the budgeted amount in the non-program function for the year ended June 30, 2015. The County incurred repair costs for leased property.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2015, Dickinson County had approximately $45.9 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges and intangible assets. This is a net decrease (including additions and deletions) of approximately $11,000, or less than 1%, from last year.

Capital Assets of Governmental Activities at Year End
(Expressed in Thousands)

	June 30, 2015	June 30, 2014
Land	$ 2,752	2,421
Buildings and improvements	15,953	16,215
Intangibles, road network	530	530
Equipment and vehicles	3,305	3,359
Construction in progress	1,111	5,585
Infrastructure	22,207	17,759
Total	$ 45,858	45,869

The County had depreciation expense of approximately $1,889,000 in fiscal year 2015 and total accumulated depreciation of approximately $11.3 million at June 30, 2015.

More detailed information about the County's capital assets is presented in Note 6 to the financial statements.

Long-Term Debt

Dickinson County had approximately $25.7 million of outstanding debt at June 30, 2015, which included approximately $24.3 million of general obligation bonds and notes, approximately $610,000 of general obligation capital loan notes, approximately $588,000 of urban revitalization bonds, approximately $173,000 of installment purchase agreement debt and approximately $29,000 of drainage warrants compared to total outstanding debt of approximately $27.8 million at June 30, 2014.

Outstanding Debt of Governmental Activities at Year-End (Expressed in Thousands)			
	June 30,		
		2015	2014
General obligation bonds and notes	$	24,265	26,095
General obligation capital loan notes		610	645
Urban revitalization bonds		588	635
Installment purchase agreement		173	298
Drainage warrants		29	88
Total	$	25,665	27,761

Total debt decreased approximately $2,096,000, primarily a result of paying down outstanding debt.

The County continues to carry a general obligation bond rating of Aaa/A1 (Moody's) assigned by national rating agencies to the County's debt since 1995. The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. Dickinson County's outstanding general obligation debt is significantly below its constitutional debt limit of approximately $210,675,000. Additional information about the County's long-term debt is presented in Note 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Dickinson County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2016 budget, tax rates and fees charged for various County activities. One of those factors is the economy. Unemployment in the County now stands at 3.4% versus 4.2% a year ago. This compares with the State's unemployment rate of 3.7% and the national rate of 5.3%.

The County's total fund balance is expected to decrease by the close of fiscal year 2016 from the fiscal year 2015 actual balance of approximately $12.9 million to approximately $10.7 million.

The budget was influenced by the following factors: 1) the budget reflects an increase in employee pay as well as ongoing increases in health insurance, fuel costs, utilities and workers compensation insurance, 2) it reflects ongoing expenses continuing to increase and replace the one-time expenses in each budget year, 3) it reflects the efforts of departments to reduce department budgets, where possible, in order to keep the tax asking as low as possible, 4) it reflects a serious concern for the economic effects on fiscal year 2015 and thereafter, 5) it reflects a loss in revenue from state reimbursements and 6) the budget reflects the ongoing large increases in fuels and utilities for maintenance of the new Courthouse and jail which is now fully occupied by County departments and a concerted effort to protect and maintain the new Courthouse.

These goals were defined with a desire to keep the tax levy for the General Fund and the Special Revenue, Rural Services Fund from increasing substantially, especially in light of the debt service levy to pay interest and principal on the bonds for the Courthouse and jail. Dickinson County is fortunate to experience development growth, increasing retail businesses and modest, permanent population growth. The County includes thousands of secondary cottages and homes and the population swells many times over during the prime summer months, requiring additional County services such as law enforcement, planning and zoning and County Attorney. The County continues to try to maintain and improve services and programs to its taxpayers in a conservative fashion.

These factors were considerations for the fiscal year 2016 budget, which certified property tax as follows: (Amount certified includes utility replacement and property tax dollars.)

	2016 Dollars Certified	2015 Dollars Certified	Percentage Change
General basic levy	$ 5,494,552	5,340,342	2.9%
Mental health levy	407,449	407,451	0.0%
Rural services levy	1,671,969	1,622,646	3.0%
Debt service levy	1,343,623	1,384,170	-2.9%
Total	$ 8,917,593	8,754,609	1.9%

Levy rates (expressed per $1,000 of taxable valuation) to produce the above dollars for fiscal year 2016 and fiscal year 2015 are as follows:

	2016	2015	Percentage Change
General basic levy	$ 2.45135	2.45135	0.0%
Mental health levy	0.18178	0.18703	-2.8%
Rural services levy	1.84000	1.84000	0.0%
Debt service levy	0.54341	0.57168	-4.9%
Total	$ 5.01654	5.05006	-0.7%

Budgeted receipts in the fiscal year 2016 operating budget are approximately $529,000 more than the fiscal year 2015 actual receipts of approximately $15.9 million. Budgeted disbursements in the fiscal year 2016 operating budget are approximately $18.6 million, which is approximately $3.6 million more than the fiscal year 2015 actual final disbursements of approximately $15.0 million. Total taxable valuations increased approximately $64 million, from approximately $2.2 billion to approximately $2.3 billion.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Dickinson County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Dickinson County Auditor's Office, 1802 Hill Avenue, Spirit Lake, Iowa 51360 or visit the County's website at www.co.dickinson.ia.us.

Basic Financial Statements

Exhibit A

Dickinson County

Statement of Net Position

June 30, 2015

	Governmental Activities
Assets	
Cash, cash equivalents and pooled investments	$ 13,181,674
Receivables:	
Property tax:	
Delinquent	1,544
Succeeding year	8,770,000
Succeeding year tax increment financing	636,000
Accounts	36,945
Loan to Lakes Regional Hospital	13,690,000
Accrued interest	13,664
Drainage assessments	186,437
Due from other governments	658,159
Inventories	704,177
Prepaid expenses	51,729
Assets in excess of net OPEB obligation	32,300
Capital assets, net of accumulated depreciation/amortization	45,858,078
Total assets	83,820,707
Deferred Outflows of Resources	
Pension related deferred outflows	536,236
Liabilities	
Accounts payable	623,818
Accrued interest payable	107,487
Salaries and benefits payable	228,355
Due to other governments	306,402
Long-term liabilities:	
Portion due or payable within one year:	
General obligation bonds/notes	1,860,000
General obligation capital loan notes	36,000
Urban revitalization bonds	48,385
Installment purchase agreement	93,750
Drainage warrants	29,341
Compensated absences	163,461
Portion due or payable after one year:	
General obligation bonds/notes	22,405,000
General obligation capital loan notes	574,000
Urban revitalization bonds	539,796
Installment purchase agreement	79,500
Compensated absences	103,391
Net pension liability	1,976,246
Total liabilities	29,174,932
Deferred Inflows of Resources:	
Unavailable property tax revenue	8,770,000
Unavailable tax increment financing revenue	636,000
Pension related deferred inflows	1,261,385
Total deferred inflows of resources	10,667,385
Net Position	
Net investment in capital assets	34,499,828
Restricted for:	
Mental health purposes	631,147
Rural services purposes	1,131,336
Secondary roads purposes	3,789,511
Debt service	76,032
Other purposes	2,466,430
Unrestricted	1,920,342
Total net position	$ 44,514,626

See notes to financial statements.

Dickinson County

Statement of Activities

Year ended June 30, 2015

	Expenses	Program Revenues: Charges for Service	Program Revenues: Operating Grants, Contributions and Restricted Interest	Program Revenues: Capital Grants, Contributions and Restricted Interest	Net (Expense) Revenue and Changes in Net Position
Functions/Programs:					
Governmental activities:					
Public safety and legal services	$ 2,403,821	305,414	71,222	-	(2,027,185)
Physical health and social services	440,407	1,903	195,115	-	(243,389)
Mental health	567,286	-	151,818	-	(415,468)
County environment and education	1,825,893	176,115	323,518	452,180	(874,080)
Roads and transportation	4,754,412	160,485	2,398,120	38,621	(2,157,186)
Governmental services to residents	702,958	509,344	-	-	(193,614)
Administration	2,151,386	60,378	-	-	(2,091,008)
Non-program	509,840	60,500	32,406	-	(416,934)
Interest on long-term debt	794,525	-	284,050	-	(510,475)
Total	$ 14,150,528	1,274,139	3,456,249	490,801	(8,929,339)
General Revenues:					
Property and other county tax levied for:					
General purposes					7,323,016
Debt service					1,370,416
Tax increment financing					601,203
Penalty and interest on property tax					70,657
State tax credits					288,605
Local option sales tax					1,178,130
Hotel/motel tax					52,385
Unrestricted investment earnings					156,307
Miscellanous					167,413
Total general revenues					11,208,132
Change in net position					2,278,793
Net position beginning of year, as restated					42,235,833
Net position end of year					$ 44,514,626

See notes to financial statements.

Dickinson County

Balance Sheet
Governmental Funds

June 30, 2015

	General	Mental Health	Special Rural Services
Assets			
Cash, cash equivalents and pooled investments:			
County Treasurer	$ 4,841,213	649,087	989,770
Conservation Foundation	-	-	-
Receivables:			
Property tax:			
Delinquent	981	75	258
Succeeding year	5,403,000	401,000	1,649,000
Succeeding year tax increment financing	-	-	-
Accounts	29,359	-	-
Loan to Lakes Regional Hospital	-	-	-
Accrued interest	12,047	-	-
Drainage assessments	-	-	-
Advances to other funds	103,398	-	-
Due from other funds	151,650	-	-
Due from other governments	242,756	29,416	146,253
Inventories	-	-	-
Prepaid expenditures	51,729	-	-
Total assets	$ 10,836,133	1,079,578	2,785,281
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	$ 213,885	-	4,220
Salaries and benefits payable	160,878	4,431	725
Due to other funds	-	-	-
Due to other governments	71,746	29,416	-
Advances from other funds	-	-	-
Total liabilities	446,509	33,847	4,945
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	5,403,000	401,000	1,649,000
Succeeding year tax increment financing	-	-	-
Other	35,947	75	258
Total deferred inflows of resources	5,438,947	401,075	1,649,258
Fund balances:			
Nonspendable:			
Inventories	-	-	-
Prepaid expenditures	51,729	-	-
Advances to other funds	103,398	-	-
Restricted for:	-		
Mental health purposes	-	644,656	-
Rural services purposes	-	-	1,131,078
Secondary roads purposes	-	-	-
Conservation purposes	144,318	-	-
Debt service	-	-	-
Other purposes	-	-	-
Assigned for:			
Buildings and grounds	707,701	-	-
Revolving loans	35,500	-	-
Unassigned	3,908,031	-	-
Total fund balances	4,950,677	644,656	1,131,078
Total liabilities, deferred inflows of resources and fund balances	$ 10,836,133	1,079,578	2,785,281

See notes to financial statements.

Revenue				
Secondary Roads	TIF and Urban Renewal	Debt Service	Nonmajor	Total
3,472,999	521,187	172,669	1,637,109	12,284,034
-	-	-	633,943	633,943
-	-	230	-	1,544
-	-	1,317,000	-	8,770,000
-	636,000	-	-	636,000
1,232	-	-	6,354	36,945
-	-	13,690,000	-	13,690,000
-	303	47	1,036	13,433
-	-	-	186,437	186,437
-	-	-	33,894	137,292
-	-	-	-	151,650
230,858	-	-	8,876	658,159
704,177	-	-	-	704,177
-	-	-	-	51,729
4,409,266	1,157,490	15,179,946	2,507,649	37,955,343
236,902	708	-	154,464	610,179
62,321	-	-	-	228,355
-	-	-	151,650	151,650
204,533	707	-	-	306,402
-	68,894	-	68,398	137,292
503,756	70,309	-	374,512	1,433,878
-	-	1,317,000	-	8,770,000
-	636,000	-	-	636,000
1,222	-	230	186,663	224,395
1,222	636,000	1,317,230	186,663	9,630,395
704,177	-	-	-	704,177
-	-	-	-	51,729
-	-	-	33,894	137,292
		-		
-	-	-	-	644,656
-	-	-	-	1,131,078
3,200,111	-	-	-	3,200,111
-	-	-	633,943	778,261
-	-	13,862,716	-	13,862,716
-	451,181	-	1,504,130	1,955,311
-	-	-	-	707,701
-	-	-	-	35,500
-	-	-	(225,493)	3,682,538
3,904,288	451,181	13,862,716	1,946,474	26,891,070
4,409,266	1,157,490	15,179,946	2,507,649	37,955,343

Dickinson County

Dickinson County

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

June 30, 2015

Total governmental fund balances (page 21)		$ 26,891,070
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is $57,198,678 and the accumulated depreciation is $11,340,600.		45,858,078
Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds. Also, other postemployment benefit assets of $32,300 are not available to pay current year expenditures.		256,695
The Internal Service Fund is used by management to charge the costs of partial self funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.		250,289
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	$ 536,236	
Deferred inflows of resources	(1,261,385)	(725,149)
Long-term liabilities, including general obligation bonds/notes, general obligation capital loan notes, urban revitalization bonds, installment purchase agreement, drainage warrants, compensated absences, net pension liability and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds.		(28,016,357)
Net position of governmental activities (page 18)		$ 44,514,626

See notes to financial statements.

Dickinson County

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

Year ended June 30, 2015

	General	Mental Health	Special Rural Services
Revenues:			
Property and other county tax	$ 5,353,357	404,409	1,617,242
Tax increment financing	-	-	-
Local option sales tax	321,178	-	963,534
Interest and penalty on property tax	70,657	-	-
Intergovernmental	851,099	166,056	52,724
Licenses and permits	27,475	-	-
Charges for service	664,183	-	-
Use of money and property	193,963	-	-
Miscellaneous	150,474	-	-
Total revenues	7,632,386	570,465	2,633,500
Expenditures:			
Operating:			
Public safety and legal services	2,435,719	-	33,535
Physical health and social services	441,405	-	-
Mental health	-	569,695	-
County environment and education	945,488	-	207,047
Roads and transportation	-	-	-
Governmental services to residents	706,648	-	-
Administration	1,904,593	-	-
Non-program	232,988	-	-
Debt service	-	-	-
Capital projects	202,588	-	-
Total expenditures	6,869,429	569,695	240,582
Excess (deficiency) of revenues over (under) expenditures	762,957	770	2,392,918
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	(301,445)	-	(2,177,198)
Drainage warrants issued	-	-	-
Total other financing sources (uses)	(301,445)	-	(2,177,198)
Change in fund balances	461,512	770	215,720
Fund balances beginning of year	4,489,165	643,886	915,358
Fund balances end of year	$ 4,950,677	644,656	1,131,078

See notes to financial statements.

Special Revenue: Secondary Roads	Special Revenue: TIF and Urban Renewal	Debt Service	Nonmajor	Total
-	-	1,370,380	-	8,745,388
-	601,203	-	-	601,203
-	-	-	-	1,284,712
-	-	-	-	70,657
2,458,932	23,336	331,668	14,837	3,898,652
-	-	-	-	27,475
68,795	-	-	98,979	831,957
46,730	2,734	332	10,533	254,292
35,090	-	-	386,808	572,372
2,609,547	627,273	1,702,380	511,157	16,286,708
-	-	-	-	2,469,254
-	-	-	-	441,405
-	-	-	-	569,695
-	187,944	-	641,264	1,981,743
3,417,401	-	-	-	3,417,401
-	-	-	8,498	715,146
-	-	-	-	1,904,593
-	-	-	261,093	494,081
-	65,107	2,642,440	334,794	3,042,341
1,211,741	-	-	-	1,414,329
4,629,142	253,051	2,642,440	1,245,649	16,449,988
(2,019,595)	374,222	(940,060)	(734,492)	(163,280)
2,353,643	-	32,106	256,807	2,642,556
-	(162,263)	-	(1,650)	(2,642,556)
-	-	-	254,644	254,644
2,353,643	(162,263)	32,106	509,801	254,644
334,048	211,959	(907,954)	(224,691)	91,364
3,570,240	239,222	14,770,670	2,171,165	26,799,706
3,904,288	451,181	13,862,716	1,946,474	26,891,070

Dickinson County

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities

Year ended June 30, 2015

Change in fund balances - Total governmental funds (page 25)		$ 91,364
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation/amortization expense to allocate those expenditures over the life of the assets. Capital outlay expenditures and contributed capital assets exceeded depreciation/amortization expense in the current year, as follows:		
Expenditures for capital assets	$ 1,653,976	
Capital assets contributed by the Iowa Department of Transportation	15,300	
Capital assets contributed by private sources	231,088	
Depreciation/amortization expense	(1,888,620)	11,744
In the Statement of Activities, the loss on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources.		(22,390)
Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are recognized as deferred inflows of resources in the governmental funds, as follows:		
Property tax	186	
Other	(57,103)	(56,917)
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year repayments exceeded issuances, as follows:		
Issued	(254,644)	
Repaid	2,349,374	2,094,730
The current year County's share of IPERS contributions is reported as expenditures in the governmental funds but is reported as deferred outflows of resources in the Statement of Net Position.		395,287
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:		
Compensated absences	(75,460)	
Interest on long-term debt	23,490	
Pension expense	(119,632)	
Other postemployment benefits	(22,800)	(194,402)
The Internal Service Fund is used by management to charge the costs of partial self funding of the County's employee health insurance benefit plan to individual funds. The change in net position of the Internal Service Fund is reported with governmental activities.		(40,623)
Change in net position of governmental activities (page 19)		$ 2,278,793

See notes to financial statements.

Dickinson County

Statement of Net Position
Proprietary Fund

June 30, 2015

	Internal Service - Employee Group Health
Assets	
Cash and cash equivalents	$ 263,697
Accrued interest receivable	231
Total assets	263,928
Liabilities	
Accounts payable	13,639
Net Position	
Unrestricted	$ 250,289

See notes to financial statements.

Dickinson County

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

Year ended June 30, 2015

		Internal Service - Employee Group Health
Operating revenues:		
Reimbursements from operating funds		$ 83,000
Reimbursements from others		1,800
Total operating revenues		84,800
Operating expenses:		
Medical claims	$ 119,278	
Administrative fees	8,636	127,914
Operating loss		(43,114)
Non-operating revenues:		
Interest income		2,491
Net loss		(40,623)
Net position beginning of year		290,912
Net position end of year		$ 250,289

See notes to financial statements.

Dickinson County

Statement of Cash Flows
Proprietary Fund

Year ended June 30, 2015

	Internal Service - Employee Group Health
Cash flows from operating activities:	
Cash received from operating fund reimbursements	$ 83,000
Cash received from others	1,800
Cash paid to suppliers for services	(120,158)
Net cash used by operating activities	(35,358)
Cash flows from investing activities:	
Interest on investments	2,448
Net decrease in cash and cash equivalents	(32,910)
Cash and cash equivalents beginning of year	296,607
Cash and cash equivalents end of year	$ 263,697
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	$ (43,114)
Adjustment to reconcile operating loss to net cash used by operating activities:	
Increase in accounts payable	7,756
Net cash used by operating activities	$ (35,358)

See notes to financial statements.

Dickinson County

Statement of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2015

Cash, cash equivalents and pooled investments:		
County Treasurer	$	1,641,548
Other County officials		207,651
Receivables:		
Property tax:		
Delinquent		7,946
Succeeding year		38,129,000
Accounts		20,608
Accrued interest		494
Special assessments		206,990
Succeeding year drainage assessments		258,374
Due from other governments		20,483
Prepaid insurance		1,117
Total assets		40,494,211
Liabilities		
Accounts payable		18,074
Salaries and benefits payable		16,425
Due to other governments		40,422,341
Trusts payable		4,774
Compensated absences		32,597
Total liabilities		40,494,211
Net position	$	-

See notes to financial statements.

(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.

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

A. Reporting Entity

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

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 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 which are managed and supervised by elected trustees. The financial transactions of these districts are reported as an Agency Fund. Financial information of 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 are to be used to purchase items not included in the County's budget. The financial transactions of the Foundation are reported as a Special Revenue Fund.

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

The County also participates in the following jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa: Northwest Iowa Multi-County Regional Juvenile Detention Center, Dickinson County Landfill Commission, Dickinson County Water Quality Commission, Iowa Great Lakes Drug Task Force and the Iowa Precinct Atlas Consortium. 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 and Development Commission, Safety and Health Issued and Employment Leadership Decision, Inc., Region III Hazardous Material Response Commission and Northwest Iowa Contracting Consortium.

B. Basis of Presentation

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

The Statement of Net Position presents the County's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

The Secondary Roads Fund is used to account for the road use tax allocation from the State of Iowa, required transfers from the General Fund and the Special Revenue, Rural Services Fund and other revenues to be used for secondary road construction and maintenance.

The TIF (Tax Increment Financing) and Urban Renewal Fund is used to account for property tax revenue for the payment of debt incurred for urban renewal projects.

The Debt Service Fund is utilized to account for property tax and other revenues to be used for the payment of interest and principal on the County's general long-term debt.

Additionally, the County reports the following funds:

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

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

C. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the County considers revenues to be available if they are collected within 60 days after year end.

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

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

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

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the County's policy is to pay the expenditure from restricted fund balance and then from less-restrictive classifications – committed, assigned and then unassigned fund balances.

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

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity

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

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

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

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2013 assessed property valuations; is for the tax accrual period July 1, 2014 through June 30, 2015 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2014.

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.

Drainage Assessments Receivable – Drainage assessments receivable represent amounts assessed to individuals for work done on drainage districts which benefit 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. Delinquent drainage assessments receivable represent assessments which are due and payable but have not been collected. Succeeding year drainage assessments receivable represents remaining assessments which are payable but not yet due.

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 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. Special assessments receivable represent assessments which have been made but have not been collected.

Advances to/from Other Funds – Non-current portions of long-term interfund loan receivables are reported as advances and are offset equally by a nonspendable fund balance which indicates they do not constitute expendable available financial resources and, therefore, are not available to liquidate current obligations.

Due from and Due to Other Funds – During the course of its operations, the County has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2015, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

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

Asset Class	Amount
Infrastructure	$ 65,000
Land, buildings and improvements	25,000
Intangibles	25,000
Equipment and vehicles	5,000

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

Asset Class	Estimated Useful lives (In Years)
Buildings and improvements	25 - 50
Land improvements	10 - 50
Infrastructure	10 - 65
Intangibles	5 - 20
Equipment and vehicles	3 - 20

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions by the County after the measurement date but before the end of the County's reporting period.

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

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and compensatory time for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in the governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2015. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

Long-Term Liabilities – In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund Statement of Net Position.

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

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources – Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent 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 year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable, tax increment financing receivables and other receivables not collected within sixty days after year end.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivables that will not be recognized until the year for which it is levied and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

Fund Equity – In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

Assigned – Amounts the Board of Supervisors intend to use for specific purposes.

Unassigned – All amounts not included in the preceding classifications.

Net Position – The net position of the Internal Service, Employee Group Health Fund is designated for future catastrophic losses of the County.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2015, disbursements exceeded the amount budgeted in the non-program function and disbursements for one department exceeded the amount appropriated prior to amendment.

(2) Cash, Cash Equivalents and Pooled Investments

The County's deposits in banks at June 30, 2015 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 ensure 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.

Investments are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

At June 30, 2015, the County had the following investments:

Investment	Fair Value	Maturity
Federal Home Loan Bank (FHLB)	$ 201,553	March 2020
Federal Home Loan Bank (FHLB)	602,200	April 2020
Federal Home Loan Bank (FHLB)	195,780	May 2020
Total	$ 999,533	

In addition, the County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of $162 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Interest rate risk – The County's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the County.

Credit risk – The FHLB investments at June 30, 2015 are rated AA+ by Moody's Investors Service. The investment in the Iowa Public Agency Investment Trust is unrated.

Concentration of credit risk and custodial risk – No more than 5% of the portfolio may be invested in the securities of a single issuer and no more than 10% of the portfolio may be invested in each of the following categories of securities: prime bankers' acceptances and commercial paper or other short-term corporate debt. No more than 5% of the County's cash and investments are invested in a single issuer.

The Conservation Foundation's investments at June 30, 2015 consist of stocks and stock mutual funds with a fair value of $402,724. Disclosure of concentration of credit risk and interest rate risk do not apply to these investments.

(3) Due From and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2015 is as follows:

Receivable Fund	Payable Fund	Amount
General	Special Revenue:	
	Drainage Districts	$ 151,650

(4) Advances To and From Other Funds

Receivable Fund	Payable Fund	Amount
General	Special Revenue:	
	TIF and Urban Renewal	$ 35,000
	Resource Enhancement and Protection	68,398
Special Revenue:	Special Revenue:	
Low and Moderate Income	TIF and Urban Renewal	33,894
Total		$ 137,292

During the year ended June 30, 2011, the County approved advances to/from other funds for loans of $73,000 from the General Fund to the Special Revenue, TIF and Urban Renewal Fund. $25,100 was advanced during fiscal year 2011 and the remaining $47,900 was advanced during fiscal year 2012. Repayment of $38,000 was made during fiscal year 2013. The County also advanced $33,894 from the Special Revenue, Low and Moderate Income Fund to the Special Revenue, TIF and Urban Renewal Fund during fiscal year 2012 and an additional $3,641 was advanced during fiscal year 2014. Repayment of $3,641 was made during fiscal year 2015. The advances to the Special Revenue, TIF and Urban Renewal Fund were to help finance completion of the Dickinson County/Orleans Urban Renewal and the Dickinson County/Spirit Lake Urban Renewal area projects. The Special Revenue, TIF and Urban Renewal Fund is to repay these advances with tax increment financing revenues from the project areas.

During fiscal year 2011, the County approved an advance from the General Fund to the Special Revenue, Resource Enhancement and Protection Fund. The advance was made to finance the completion of the Nature Center project.

(5) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2015 is as follows:

Transfer to	Transfer from	Amount
Special Revenue:		
Secondary Roads	General	$ 176,445
	Special Revenue:	
	Rural Services	2,177,198
Low and Moderate Income	Special Revenue:	
	TIF and Urban Renewal	130,157
County Recorder's Records Mangament	Special Revenue:	
	County Recorder's Electronic Transfer Fees	1,650
Trails Maintenance	General	125,000
Debt Service	Special Revenue:	
	TIF and Urban Renewal	32,106
Total		$ 2,642,556

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

(6) Capital Assets

Capital assets activity for the year ended June 30, 2015 was as follows:

	Balance beginning of year	Increases	Decreases	Balance end of year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	$ 2,421,490	331,088	-	2,752,578
Intangibles, road network	529,900	-	-	529,900
Construction in progress, road network	492,430	738,961	(507,740)	723,651
Construction in progress	5,092,612	364,896	(5,070,656)	386,852
Total capital assets not being depreciated/amortized	8,536,432	1,434,945	(5,578,396)	4,392,981
Capital assets being depreciated/amortized:				
Buildings	18,198,265	-	-	18,198,265
Improvements other than buildings	197,494	105,630	-	303,124
Equipment and vehicles	7,117,230	421,009	(253,405)	7,284,834
Infrastructure, road network	18,346,328	507,740	-	18,854,068
Infrastructure, other	3,094,750	5,070,656	-	8,165,406
Total capital assets being depreciated/amortized	46,954,067	6,105,035	(253,405)	52,805,697
Less accumulated depreciation/amoritized for:				
Buildings	2,159,276	360,072	-	2,519,348
Improvements other than buildings	21,881	6,992	-	28,873
Equipment and vehicles	3,758,426	391,211	(169,795)	3,979,842
Infrastructure, road network	3,304,792	836,925	-	4,141,717
Infrastructure, other	377,400	293,420	-	670,820
Total accumulated depreciation/amortized	9,621,775	1,888,620	(169,795)	11,340,600
Total capital assets being depreciated/amortized, net	37,332,292	4,216,415	(83,610)	41,465,097
Governmental activities capital assets, net	$ 45,868,724	5,651,360	(5,662,006)	45,858,078

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	$ 58,738
Physical health and social services	1,261
County environment and education	198,929
Roads and transportation	1,269,084
Administration	360,608
Total depreciation/amortization expense - governmental activities	$ 1,888,620

(7) Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2015 is as follows:

Fund	Description	Amount
General	Services	$ 71,746
Special Revenue:		
Mental Health	Services	29,416
Secondary Roads	Services	204,533
TIF and Urban Renewal	Services	707
Total for governmental funds		$ 306,402
Agency:		
County Offices	Collections	$ 213,061
Agricultural Extension Education		220,238
County Assessor		681,510
Schools		17,698,061
Community Colleges		2,191,105
Corporations		11,976,767
Townships		453,122
Auto License, Use Tax and Drivers' License		519,312
All other		6,469,165
Total for agency funds		$ 40,422,341

(8) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2015 is as follows:

	General Obligation Bonds/Notes	General Obligation Capital Loan Notes	Urban Revital-ization Bonds	Installment Purchase Agreement	Drainage Warrants	Compen-sated Absences	Net Pension Liability	Total
Balance beginning of year, as restated	$ 26,095,000	644,749	634,536	298,250	87,967	191,392	3,362,957	31,314,851
Increases	-	-	-	-	254,644	238,934	-	493,578
Decreases	1,830,000	34,749	46,355	125,000	313,270	163,474	1,386,711	3,899,559
Balance end of year	$ 24,265,000	610,000	588,181	173,250	29,341	266,852	1,976,246	27,908,870
Due within one year	$ 1,860,000	36,000	48,385	93,750	29,341	163,461	-	2,230,937

General Obligation Bonds/Notes

A summary of the County's June 30, 2015 general obligation indebtedness is as follows:

Year Ending June 30,	Shore Acres Urban Renewal Project Issued Dec 1, 2007 Interest Rates	Principal	Interest	Courthouse Construction Issued Apr 1, 2009 Interest Rates	Principal	Interest
2016	3.80%	$ 100,000	7,650	3.375%	$ 825,000	311,819
2017	3.85	100,000	3,850	4.00	860,000	283,975
2018		-	-	4.00	895,000	249,575
2019		-	-	4.00	935,000	213,775
2020		-	-	4.25	975,000	176,375
2021-2025		-	-	4.25	3,175,000	273,062
2026-2030		-	-		-	-
2031-2032		-	-		-	-
Total		$ 200,000	11,500		$ 7,665,000	1,508,581

Year Ending June 30,	East Okoboji Beach Urban Renewal Project Issued May 1, 2009 Interest Rates	Principal	Interest	Dickinson County/Orleans Urban Renewal Project Issued Apr 1, 2009 Interest Rates	Principal	Interest
2016	3.20%	$ 140,000	105,368	3.50%	$ 85,000	10,950
2017	3.40	140,000	100,887	3.75	90,000	7,975
2018	3.60	145,000	96,128	4.00	115,000	4,600
2019	3.85	150,000	90,907		-	-
2020	4.00	155,000	85,133		-	-
2021-2025	4.10-4.65	865,000	323,885		-	-
2026-2030	4.85-5.00	825,000	104,957		-	-
2031-2032		-	-		-	-
Total		$ 2,420,000	907,265		$ 290,000	23,525

Year Ending June 30,	Hospital Urban Renewal Issued Aug 22, 2012 Interest Rates	Principal	Interest	Hospital Urban Renewal Issued Feb 21, 2013 Interest Rates	Principal	Interest
2016		$ -	218,050	1.50%	$ 710,000	55,350
2017		-	218,050	1.50	715,000	44,700
2018		-	218,050	1.50	725,000	33,975
2019		-	218,050	1.50	730,000	23,100
2020		-	218,050	1.50	740,000	12,150
2021-2025	2.00%	3,830,000	942,850	1.50	70,000	1,050
2026-2030	2.00-2.38	4,305,000	528,100		-	-
2031-2032	2.38-2.50	1,865,000	69,100		-	-
Total		$ 10,000,000	2,630,300		$ 3,690,000	170,325

Year Ending June 30,	General Obligation Bonds/Notes Total Principal	Interest	Total
2016	$ 1,860,000	709,187	2,569,187
2017	1,905,000	659,437	2,564,437
2018	1,880,000	602,328	2,482,328
2019	1,815,000	545,832	2,360,832
2020	1,870,000	491,708	2,361,708
2021-2025	7,940,000	1,540,847	9,480,847
2026-2030	5,130,000	633,057	5,763,057
2031-2032	1,865,000	69,100	1,934,100
Total	$ 24,265,000	5,251,496	29,516,496

General Obligation Hospital Urban Renewal Bonds

On August 22, 2012, the County issued $10,000,000 of general obligation hospital urban renewal bonds for an expansion project at Lakes Regional Hospital. The bonds bear interest payable semi-annually on the first of June and December each year at rates ranging from 2.00% to 2.50% per annum. Per the bond agreement, the County will make interest only payments through December 1, 2020.

On February 21, 2013, the County issued $5,000,000 of general obligation hospital urban renewal bonds for an expansion project at Lakes Regional Hospital. The bonds bear interest payable semi-annually on the first of June and December each year at 1.50% per annum.

The County loaned the proceeds of both general obligation hospital urban renewal bonds issued during fiscal year 2013 to Lakes Regional Hospital. Under the loan agreement, Lakes Regional Hospital is to make payments to the County equal to the payments the County is required to make on the general obligation urban renewal bonds. The payments received from Lakes Regional Hospital are credited to the Debt Service Fund.

General Obligation Capital Loan Notes

On May 6, 2009, the County entered into a general obligation capital loan note agreement with the Iowa Finance Authority for up to $929,000 to pay for expenditures incurred in conjunction with one or more urban renewal projects in the East Okoboji Beach Urban Renewal Area. Projects include the construction of roads, water, sewer and storm sewer improvements. The total amount drawn was $829,749. The capital loan notes bear interest at 3.00% per annum with final maturity on June 1, 2029. The first payment on the capital loan notes was due May 1, 2010. During the year ended June 30, 2015, the County paid principal and interest of $34,749 and $19,342, respectively, on the capital loan notes.

A summary of the County's June 30, 2015 general obligation capital loan note indebtedness is as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2016	3.00%	$ 36,000	18,300	54,300
2017	3.00	37,000	17,220	54,220
2018	3.00	38,000	16,110	54,110
2019	3.00	39,000	14,970	53,970
2020	3.00	40,000	13,800	53,800
2021-2025	3.00	220,000	50,220	270,220
2026-2029	3.00	200,000	15,210	215,210
Total		$ 610,000	145,830	755,830

Urban Revitalization Bonds

The County issued $790,000 of urban revitalization bonds in November 2005 for the purpose of carrying out an urban renewal project, including funding a $700,000 forgivable loan to B.V. Building L.L.C. The bonds are payable solely from the tax increment financing (TIF) receipts generated by increased property values in the Dickinson County/Spirit Lake urban renewal area and credited to the Special Revenue, TIF and Urban Renewal Fund in accordance with Chapter 403.19 of the Code of Iowa. TIF receipts are generally projected to produce 100% of the debt service requirements over the life of the bonds. The proceeds of the urban revitalization bonds shall be expended only for purposes which are consistent with the plans of the County's urban renewal area. The bonds are not a general obligation of the County. However, the debt is subject to the constitutional debt limitation of the County.

On August 28, 2012, the Board of Supervisors approved an amendment to the loan agreement providing for the reissuance of $630,000 of urban revitalization bonds plus $91,793 of delinquent principal, as well as amending the repayment schedule and interest rate. Principal and interest remaining on the bonds is $690,750 is payable through December 2025. For the current year, principal and interest paid on the urban revitalization bonds were $46,355 and $18,752, respectively.

A summary of the County's June 30, 2015 urban revitalization bonded indebtedness is as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2016	3.02%	$ 48,385	17,400	65,785
2017	3.02	49,858	15,928	65,786
2018	3.02	51,375	14,411	65,786
2019	3.02	52,938	12,848	65,786
2020	3.02	54,549	11,237	65,786
2021-2025	3.02	298,674	30,255	328,929
2026-2030	3.02	32,402	490	32,892
Total		$ 588,181	102,569	690,750

Installment Purchase Agreement

On September 11, 2012, the County entered into a $642,000 installment purchase agreement to purchase 107 acres of land to be used for gravel resources. The agreement requires quarterly payments, including interest at 5.00% per annum, beginning on October 1, 2012.

A summary of the installment purchase agreement is as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2016	5.00%	$ 93,750	5,325	99,075
2017	5.00	79,500	1,809	81,309
Total		$ 173,250	7,134	180,384

Senior Housing Revenue Bonds

On December 21, 2006, the County issued Senior Housing Revenue Bonds (Spirit Lake-GEAC, LLC Project) Series 2006A of $7,080,000, Taxable Senior Housing Revenue Bonds (Spirit Lake-GEAC, LLC Project) Series 2006B of $345,000 and Subordinate Senior Housing Revenue Bonds (Spirit Lake-GEAC, LLC Project) Series 2006C of $250,000, as permitted by Chapter 419 of the Code of Iowa, to be used by the borrower to construct a senior housing facility in Dickinson County, consisting of 42 assisted living units and 20 memory loss units. The bonds were dated December 1, 2006. The bonds shall never constitute indebtedness, a general or moral obligation or a loan of credit of the County, or a lien, charge or encumbrance, legal or equitable, against the County's property, revenues or general credit and do not give rise to a charge against the general credit or taxing powers of the County, but rather shall be special obligations payable solely from revenues pledged and assigned to the payment thereof and secured by the loan agreement. Since these bonds do not constitute indebtedness of the County, a liability has not been included in the Statement of Net Position.

On February 1, 2014, the County issued Senior Housing Revenue Notes (Keelson Harbour-Vista Prairie Communities Project) Series 2014 of $5,000,000, as permitted by Chapter 419 of the Code of Iowa, to be used by the borrower to provide financing for a 27-unit addition to the assisted living facility mentioned in the previous paragraph. This will also provide for expansion of the existing main dining room area, installation of a new patio area and other improvements. The notes were dated February 28, 2014. The notes shall never constitute indebtedness, a general or moral obligation or a loan of credit of the County or a lien, charge or encumbrance, legal or equitable, against the County's property, revenues or general credit and do not give rise to a charge against the general credit or taxing powers of the County, but rather shall be special obligations payable solely from revenues pledged and assigned to the payment thereof and secured by the loan agreement. Since these notes do not constitute indebtedness of the County, a liability has not been included in the Statement of Net Position.

Drainage Warrants

Drainage warrants are warrants which are legally drawn on drainage district funds but are not paid due to 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. Warrants will be paid as funds are available.

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

(9) Lakes Regional Hospital Loan Receivable

As detailed in Note 8 of the Notes to Financial Statements, the County loaned bond proceeds to Lakes Regional Hospital. Under the loan agreement, Lakes Regional Hospital is to make payments to the County equal to the payments the County is required to make on the general obligation hospital urban renewal bonds.

(10) Pension Plan

Plan Description - IPERS membership is mandatory for employees of the County, except for those covered by another retirement system. Employees of the County are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code Chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

Sheriffs, deputies and protection occupation members may retire at normal retirement age, which is generally at age 55. Sheriffs, deputies and protection occupation members may retire any time after reaching age 50 with 22 or more years of covered employment.

The formula used to calculate a sheriff's, deputy's or protection occupation member's monthly IPERS benefit includes:

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for years of service greater than 22 but not more than 30 years of service.
- The member's highest three-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits - A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions - Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95% of pay and the County contributed 8.93% for a total rate of 14.88%. Sheriff and deputy members and the County both contributed 9.88% of pay for a total rate of 19.76%. Protection occupation members contributed 6.76% of pay and the County contributed 10.14% for a total rate of 16.90%.

The County's contributions to IPERS for the year ended June 30, 2015 totaled $395,287.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the County reported a liability of $1,976,246 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2014, the County's collective proportion was 0.0498309%, which was a decrease of 0.008740% from its collective proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of $119,632. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 22,347	27,850
Changes of assumptions	90,743	27,516
Net difference between projected and actual earnings on pension plan investments	-	1,041,017
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	27,859	165,002
County contributions subsequent to the measurement date	395,287	-
Total	$ 536,236	1,261,385

$395,287 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2016	$ (278,810)
2017	(278,810)
2018	(278,810)
2019	(278,810)
2020	(5,196)
Total	$ (1,120,436)

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2014)	3.00% per annum
Rates of salary increase (effective June 30, 2010)	4.00 to 17.00%, average, including inflation. Rates vary by membership group
Long-term investment rate of return (effective June 30, 1996)	7.50%, compounded annually, net of investment expense, including inflation

The actuarial assumptions used in the June 30, 1014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	**Asset Allocation**	**Long-Term Expected Real Rate of Return**
US Equity	23%	6.31%
Non US Equity	15	6.76
Private Equity	13	11.34
Real Estate	8	3.52
Core Plus Fixed Income	28	2.06
Credit Opportunities	5	3.67
TIPS	5	1.92
Other Real Assets	2	6.27
Cash	1	(0.69)
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the County will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.50%) or 1% higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
County's proportionate share of the net pension liability (asset):	$ 4,357,264	$1,976,246	$ (31,553)

IPERS' Fiduciary Net Position - Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to IPERS - At June 30, 2015, the County reported payables to IPERS of $15,710 for legally required employer contributions and $11,243 for legally required employee contributions which had been withheld from employee wages but had not yet been remitted to IPERS.

(11) Other Postemployment Benefits (OPEB)

Plan Description – The County operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. There are 92 active and 2 retired members in the plan. Retired participants must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a fully-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Funding Policy – The contribution requirements of plan members are established and may be amended by the County. The County currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation – The County's annual OPEB cost is calculated based on the annual required contribution (ARC) of the County, an amount determined using the alternate measurement method permitted by GASB Statement No. 45. The ARC represents a level of funding which, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the County's annual OPEB cost for the year ended June 30, 2015, the amount actually contributed to the plan and changes in the County's net OPEB obligation:

Annual required contribution	$ 21,900
Interest on net OPEB obligation	(2,500)
Adjusted to annual required contribution	3,400
Annual OPEB cost	22,800
Contributions made	-
Decrease in net OPEB obligation	22,800
(Assets in excess of) net OPEB obligation beginning of year	(55,100)
(Assets in excess of) net OPEB obligation end of year	$ (32,300)

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2015.

For the year ended June 30, 2015, the County made no contributions to the medical plan. Plan members eligible for benefits contributed $28,000, or 100% of the premium costs.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the assets in excess of net OPEB obligation are summarized as follows:

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	(Assets in excess of) Net OPEB Obligation
2013	$ 22,500	154%	$ (47,500)
2014	22,700	133	(55,100)
2015	22,800	0	(32,300)

Funded Status and Funding Progress – As of July 1, 2012, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was $162,647, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of $162,647. The covered payroll (annual payroll of active employees covered by the plan) was approximately $4,087,000 and the ratio of the UAAL to covered payroll was 4.0%. As of June 30, 2015, there were no trust fund assets.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for the Retiree Health Plan, presented as Required Supplementary Information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2012 actuarial valuation date, a simplified version of the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.5% discount rate based on the County's funding policy. The projected annual medical trend rate is 7%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 1% each year until reaching the 5% ultimate trend rate. An inflation rate of 3% is assumed for the purpose of this computation.

Mortality rates are from the 2004 United States Life Tables, projected to 2013 using scale AA. Annual retirement and termination probabilities were based on historical retirement patterns for the covered group.

Projected claim costs of the medical plan are $1,238 per month for retirees less than age 65. The salary increase rate was assumed to be 2% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

(12) Revolving Loan Account

The Revolving Economic Development Account was established within the General Fund to promote economic development in the County through grants and loans. Upon receipt of loan payments from the businesses, the funds remain in the Revolving Economic Development Account for subsequent loans to other businesses. There are no outstanding loans at June 30, 2015.

(13) Risk Management

The County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 727 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual casualty 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 estimated for the fiscal 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 at a level determined by the Board not to exceed 300% of basis rate.

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

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's contributions to the Pool for the year ended June 30, 2015 were $269,364.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to $350,000 per claim. Claims exceeding $350,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to $250,000 each occurrence, each location. Property risks exceeding $250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, property loss or series of claims or losses exceeds the amount of risk-sharing protection provided by the County's risk-sharing certificate, or in the event a casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any excess risk-sharing recoveries, then payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred.

The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2015, no liability has been recorded in the County's financial statements. As of June 30, 2015, 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 casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Upon withdrawal, a formula set forth in the Pool's intergovernmental contract with its members is applied to determine the amount (if any) to be refunded to the withdrawing member.

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of $1,000,000 and $50,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(14) Public Health

On July 1, 1996, an agreement was entered into between Dickinson County Memorial Hospital, now known as Lakes Regional HealthCare (Hospital), the Dickinson County Board of Health (Board) and the County for the purpose of consolidating services offered by the Hospital and the Board. In the agreement, the Hospital agreed to provide all public health nursing services and home care services for and on behalf of the Board to the residents of the County. Under the agreement, the Board 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 are 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 the County may be unable to pay for the services, in which case the Hospital may submit monthly claims for reimbursement for services and fees to the County for payment. In addition, effective July 1, 2011, the County and the Board agreed to reimburse the Hospital up to $146,000 per year for public health services, including reimbursement for indigent fees.

(15) Employee Group Health Fund

The Internal Service, 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 Two Rivers Insurance Company, Inc. The agreement with Two Rivers Insurance Company, Inc. is renewable on an annual basis. After an eligible employee with single coverage has paid $500 of the applicable deductible amount under the contract during a calendar year or an eligible employee with family coverage has paid $1,000 of the applicable deductible amount under the contract during a calendar year, the County will pay directly or reimburse any eligible employee for 60% (80% 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 calendar year for deductibles and co-insurance shall be $1,000 with respect to single coverage and $2,000 with respect to family coverage. After an employee has made the maximum prescribed payments, the County 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 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 Two Rivers Insurance Company, Inc. from the Employee Group Health Fund. The County's contribution to the fund for the year ended June 30, 2015 was $83,000.

The amounts payable from the Employee Group Health Fund at June 30, 2015 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. These amounts are not expected to be material to the financial statements. The County is exempt from the requirements of Chapter 509A.15 of the Code of Iowa due to claims being less than 2% of the General Fund budget.

(16) Jointly Governed Organization

The 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 part of the Other Agency Funds because of the County's fiduciary relationship with the organization. The following financial data is for the year ended June 30, 2015:

Additions:		
Contributions from governmental units:		
Dickinson County	$ 84,600	
City of Spirit Lake	28,000	
City of Okoboji	23,000	
City of Arnolds Park	14,800	
City of Milford	13,000	
City of West Okoboji	7,600	
City of Wahpeton	16,000	
City of Orleans	6,600	
City of Lake Park	4,200	
City of Superior	1,400	
City of Terril	1,000	$ 200,200
Interest on investments		1,255
Total additions		201,455
Deductions:		
Dickinson County Soil and Water Conservation District	69,397	
Okoboji Protective Association	39,028	
Miscellaneous	703	109,128
Net		92,327
Balance beginning of year		62,552
Balance end of year		$ 154,879

(17) Development Agreements

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

West Bay Estates Urban Renewal Area – In October 2004, the County entered into an agreement with the City of Lake Park establishing an urban renewal area. The project involves two primary components, which are the extension of the City's sanitary sewer line to serve a residentially developed area located west of the Silver Shores Addition and the construction of infrastructure necessary to support the new West Bay Estates Subdivision. The County is going to use tax increment financing (TIF) to support residential development. Under this plan, 37% of the TIF revenues generated by the project must be used to provide assistance to low-and-moderate-income (LMI) families and must be set aside for LMI housing projects. In the prior year, the balance of LMI funds, $407,409, was paid to the Lake Park Housing Authority to be used to provide housing assistance to low and moderate income families. In the current year, $71,031 was paid to the Lake Park Housing Authority for this purpose. The developer's project involves the establishment of a 33-acre lakeshore residential subdivision. The first $650,000 of TIF revenue will be granted to the developer. After the developer has received a total of $650,000, the TIF revenue generated for the district will be allocated one-half to the developer and one-half to the City until the developer has received a total of $800,000. The collection of incremental property tax in the area is limited to ten (10) fiscal years but may be extended for a maximum of fifteen (15) years. For project costs related to commercial development, the collection of incremental property tax shall be limited to twenty (20) years. During the year ended June 30, 2015, $120,944 was rebated to the developer and the City and the cumulative amount rebated at June 30, 2015 was $815,151. Property tax levied for fiscal year 2016 totals $211,000.

Dickinson County/Spirit Lake Urban Renewal Area – In July 2005, the County entered into a private development agreement for an urban renewal project with the City of Spirit Lake and two private developers. The agreement provided the County would make a forgivable loan of $700,000 to the developers in exchange for the construction of certain minimum improvements located within the County's TIF district. Urban revitalization bonds totaling $790,000 were sold during the year ended June 30, 2006 and $700,000 was forwarded to the developers. In addition, the County agreed to purchase a parcel of real estate for $350,000 from the developers. The parcel was purchased during the year ended June 30, 2006. The loans are to be amortized and forgiven in annual amounts provided the developers comply with all requirements stipulated within the agreements. During the year ended June 30, 2015, $65,107 was provided for debt service on the urban revitalization bonds. Property tax levied for fiscal year 2016 totals $54,000.

West Sioux Estates Urban Renewal Area – In September 2005, the County entered into an agreement with the City of Milford to establish an urban renewal area. The project involves roadway improvements of approximately 2,800 linear feet on 193rd Avenue. The County's primary objective in this urban renewal area is to promote new residential development. The cost of paving, including engineering, is estimated to be between $400,000 and $500,000. The County is going to use TIF revenue to support this residential development. Under the plan, 37% of the TIF revenue generated by the project must be used to provide assistance to low-and-moderate-income (LMI) families. As a result, the amount set aside for LMI housing projects would range between $148,000 and $185,000. The amount of LMI funds held by the County for this project at June 30, 2015 in the Special Revenue, Low and Moderate Income Fund was $46,998. Property tax levied for fiscal year 2016 totals $33,000.

Shore Acres Urban Renewal Area – In October 2005, the County established an urban renewal area for the purpose of grading and new paving of an access road into the Shore Acres subdivision and a service road within the subdivision. The County is using tax increment financing to support this development, which has an estimated cost of $150,000. In addition, general obligation bonds totaling $800,000 were sold during the year ended June 30, 2007 for additional construction costs. Under the plan, a percentage of the TIF revenues generated by the project must be used to provide assistance to low-and-moderate-income families. LMI funds were not held by the County for this project at June 30, 2015 in the Special Revenue, Low and Moderate Income Fund. During the year ended June 30, 2015, no funds were provided for debt service on the general obligation bonds. No property tax has been levied for fiscal year 2016.

Dickinson County/Orleans Urban Renewal Area – In April 2006, the County established an urban renewal area for the purpose of stimulating, through public involvement and commitment, private investment in a new residential development. The project involves roadway, water and sanitary sewer system improvements to support the development of 64 new single-family residential lots. The County is using tax increment financing to support this residential development, which has an estimated total cost of $1,230,000, including low-and-moderate-income (LMI) funds which are to be set aside. In addition, general obligation bonds totaling $700,000 were sold during the year ended June 30, 2009 for additional construction costs. For this urban renewal area, 37% of the TIF revenues generated by the project must be used to provide assistance to LMI families. The amount of LMI funds held by the

County for this project at June 30, 2015 in the Special Revenue, Low and Moderate Income Fund was $331,734. The estimated costs will be the City's cost of $30,000 for installing water main extensions, roadway improvements by the County of $580,000 and water and sewer system improvements of approximately $620,000. During the year ended June 30, 2015, $7,106 was provided for debt service on the general obligation bonds. Property tax levied for fiscal year 2016 totals $131,000.

(18) Deficit Fund Balances

The Special Revenue, Resource Enhancement and Protection (REAP) and Drainage Districts Funds had deficit fund balances of $67,243 and $157,095, respectively, at June 30, 2015. The deficit balances will be eliminated through the future collection of the County's REAP allocation from the State and future drainage assessments.

(19) Dickinson County Financial Information Included as part of the Northwest Iowa Care Connection Region

Northwest Iowa Care Connection Region, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa which became effective July 10, 2014, includes the following member counties: Clay County, Dickinson County, Lyon County, O'Brien County, Osceola County and Palo Alto County. The financial activity of Dickinson County's Special Revenue, Mental Health Fund is included as part of the Northwest Iowa Care Connection Region for the year ended June 30, 2015 as follows:

Revenues:		
Property and other county tax		$ 404,409
Intergovernmental revenues:		
State tax credits	$ 13,389	
Social services block grant	123,367	
Payments from MHDS fiscal agent	28,451	
Other intergovernmental revenues	849	166,056
Total revenues		570,465
Expenditures:		
Services to persons with mental illness		1,928
General administration:		
Direct administration	143,743	
Distribution to regional fiscal agent	424,024	567,767
Total expenditures		569,695
Excess of revenues over expenditures		770
Fund balance beginning of the year		643,886
Fund balance end of the year		$ 644,656

(20) Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27, was implemented during fiscal year 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, GASB Statement No. 68 requires a state or local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources are not reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by Governmental Accounting Standards Board Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Beginning net position for governmental activities was restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date, as follows:

	Governmental Activities
Net position June 30, 2014, as previously reported	$ 45,212,882
Net pension liability at June 30, 2014	(3,362,957)
Deferred outflows of resources related to prior year contibutions made after the June 30, 2013 measurement date	385,908
Net position July 1, 2014, as restated	$ 42,235,833

Required Supplementary Information

Dickinson County

Budgetary Comparison Schedule of
Receipts, Disbursements and Changes in Balances -
Budget and Actual (Cash Basis) – All Governmental Funds

Required Supplementary Information

Year ended June 30, 2015

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	$ 10,652,537	-	10,652,537
Interest and penalty on property tax	70,657	-	70,657
Intergovernmental	3,407,861	-	3,407,861
Licenses and permits	190,290	-	190,290
Charges for service	741,383	-	741,383
Use of money and property	259,446	-	259,446
Miscellaneous	594,780	158,361	436,419
Total receipts	15,916,954	158,361	15,758,593
Disbursements:			
Public safety and legal services	2,433,176	-	2,433,176
Physical health and social services	411,827	-	411,827
Mental health	539,254	-	539,254
County environment and education	1,620,592	32,740	1,587,852
Roads and transportation	3,135,810	-	3,135,810
Governmental services to residents	710,049	-	710,049
Administration	1,923,552	-	1,923,552
Non-program	530,656	113,872	416,784
Debt service	2,048,291	334,794	1,713,497
Capital projects	1,662,992	-	1,662,992
Total disbursements	15,016,199	481,406	14,534,793
Excess (deficiency) of receipts over (under) disbursements	900,755	(323,045)	1,223,800
Other financing sources, net	254,644	254,644	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	1,155,399	(68,401)	1,223,800
Balance beginning of year	11,762,578	702,344	11,060,234
Balance end of year	$ 12,917,977	633,943	12,284,034

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Net Variance
10,580,373	10,580,373	72,164
42,100	42,100	28,557
4,408,779	4,408,779	(1,000,918)
64,700	64,700	125,590
658,087	658,087	83,296
225,710	225,710	33,736
753,270	753,270	(316,851)
16,733,019	16,733,019	(974,426)
2,496,393	2,496,393	63,217
578,572	578,572	166,745
887,132	887,132	347,878
2,719,794	2,719,794	1,131,942
4,388,270	4,388,270	1,252,460
761,354	761,354	51,305
2,036,133	2,036,133	112,581
178,500	218,500	(198,284)
1,721,727	1,721,727	8,230
2,179,807	2,179,807	516,815
17,947,682	17,987,682	3,452,889
(1,214,663)	(1,254,663)	2,478,463
1,000	1,000	(1,000)
(1,213,663)	(1,253,663)	2,477,463
9,529,793	9,529,733	1,530,501
8,316,130	8,276,070	4,007,964

Dickinson County

Budgetary Comparison Schedule - Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2015

	Governmental Funds		
	Cash Basis	Accrual Adjust-ments	Modified Accrual Basis
Revenues	$ 15,916,954	369,754	16,286,708
Expenditures	15,016,199	1,433,789	16,449,988
Net	900,755	(1,064,035)	(163,280)
Other financing sources, net	254,644	-	254,644
Beginning fund balances	11,762,578	15,037,128	26,799,706
Ending fund balances	$ 12,917,977	13,973,093	26,891,070

See accompanying independent auditor's report.

Dickinson County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2015

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

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

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund. These ten 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, the Special Revenue Funds and the Debt Service Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, one budget amendment increased budgeted disbursements by $40,000. The budget amendment is reflected in the final budgeted amounts.

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

During the year ended June 30, 2015, disbursements exceed the amount budgeted for the nonprogram function and disbursements for one department exceeded the amount appropriated prior to amendment.

Dickinson County

Dickinson County

Schedule of the County's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System
Last Fiscal Year*
(In Thousands)

Required Supplementary Information

	2015
County's collective proportion of the net pension liability (asset)	0.0498309%
County's collective proportionate share of the net pension liability (asset)	$ 1,976
County's covered-employee payroll	$ 4,226
County's collective proportionate share of the net pension liability as a percentage of its covered-employee payroll	46.76%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

* The amounts presented for each fiscal year were determined as of June 30.

See accompanying independent auditor's report.

Dickinson County

Schedule of County Contributions

Iowa Public Employees' Retirement System
Last 10 Fiscal Years
(In Thousands)

Required Supplementary Information

	2015	2014	2013	2012
Statutorily required contribution	$ 395	386	372	335
Contributions in relation to the statutorily required contribution	(395)	(386)	(372)	(335)
Contribution deficiency (excess)	$ -	-	-	-
County's covered-employee payroll	$ 4,301	4,226	4,194	4,007
Contributions as a percentage of covered-employee payroll	9.18%	9.13%	8.87%	8.36%

See accompanying independent auditor's report.

2011	2010	2009	2008	2007	2006
292	273	256	225	204	193
(292)	(273)	(256)	(225)	(204)	(193)
-	-	-	-	-	-
4,002	3,986	3,898	3,610	3,351	3,180
7.30%	6.85%	6.57%	6.23%	6.09%	6.07%

Changes of benefit terms:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3% per year measured from the member's first unreduced retirement age to a 6% reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer, instead of the previous 40-60 split.

Changes of assumptions:

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25% to 4.00%.
- Lowered the inflation assumption from 3.50% to 3.25%.
- Lowered disability rates for sheriffs, deputies and protection occupation members.

Dickinson County

Schedule of Funding Progress for the
Retiree Health Plan
(In Thousands)

Required Supplementary Information

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	Jul 1, 2009	-	$ 321	321	0.00%	$ 3,443	9.30%
2011	Jul 1, 2009	-	321	321	0.00	3,179	10.10
2012	Jul 1, 2009	-	321	321	0.00	3,548	9.00
2013	Jul 1, 2012	-	163	163	0.00	3,576	4.50
2014	Jul 1, 2012	-	163	163	0.00	3,706	4.40
2015	Jul 1, 2012	-	163	163	0.00	4,087	4.00

See Note 11 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

See accompanying independent auditor’s report.

Supplementary Information

Dickinson County

Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2015

	County Recorder's Records Management	County Recorder's Electronic Transfer Fees	Sheriff Forfeiture	Resource Enhance-ment and Protection	Drainage Districts
Assets					
Cash, cash equivalents and pooled investments:					
County Treasurer	$ 82,013	-	5,687	1,154	-
Conservation Foundation	-	-	-	-	-
Receivables:				-	
Accounts	682	-	-	-	-
Accrued interest	73	-	2	1	-
Drainage assessments	-	-	-	-	186,437
Advances to other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total assets	$ 82,768	-	5,689	1,155	186,437
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	$ -	-	-	-	5,446
Due to other funds	-	-	-	-	151,650
Advances from other funds	-	-	-	68,398	-
Total liabilities	-	-	-	68,398	157,096
Deferred inflow of resources:					
Unavailable revenues	-	-	-	-	186,436
Fund equity:					
Fund balances:					
Nonspendable:					
Advances to other funds	-	-	-	-	-
Restricted for:					
Conservation purposes	-	-	-	-	-
Other purposes	82,768	-	5,689	1,155	-
Unassigned	-	-	-	(68,398)	(157,095)
Total fund balances	82,768	-	5,689	(67,243)	(157,095)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 82,768	-	5,689	1,155	186,437

See accompanying independent auditor's report.

Special Revenue								
Confiscated Property Fees	Low and Moderate Income	Waste Manage-ment Reduction	Supple-mental Environ-mental Project	Dickinson County Trails	Trails Maintenance	Conservation Foundation	Court-house Memorial	Total
3,197	379,563	48,170	3	1,077,698	39,444	-	180	1,637,109
-	-	-	-	-	-	633,943	-	633,943
-	-	5,672	-	-	-	-	-	6,354
-	-	-	-	959	-	-	1	1,036
-	-	-	-	-	-	-	-	186,437
-	33,894	-	-	-	-	-	-	33,894
-	-	8,876	-	-	-	-	-	8,876
3,197	413,457	62,718	3	1,078,657	39,444	633,943	181	2,507,649
-	831	19,826	-	114,507	13,854	-	-	154,464
-	-	-	-	-	-	-	-	151,650
-	-	-	-	-	-	-	-	68,398
-	831	19,826	-	114,507	13,854	-	-	374,512
-	-	227	-	-	-	-	-	186,663
-	33,894	-	-	-	-	-	-	33,894
-	-	-	-	-	-	633,943	-	633,943
3,197	378,732	42,665	3	964,150	25,590	-	181	1,504,130
-	-	-	-	-	-	-	-	(225,493)
3,197	412,626	42,665	3	964,150	25,590	633,943	181	1,946,474
3,197	413,457	62,718	3	1,078,657	39,444	633,943	181	2,507,649

Dickinson County

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

Year ended June 30, 2015

	County Recorder's Records Management	County Recorder's Electronic Transfer Fees	Sheriff Forfeiture	Resource Enhance-ment and Protection	Drainage Districts
Revenues:					
Intergovernmental	$ -	-	-	14,837	-
Charges for service	6,599	-	-	-	-
Use of money and property	712	6	15	16	-
Miscellaneous	-	-	2,804	-	100,897
Total revenues	7,311	6	2,819	14,853	100,897
Expenditures:					
Operating:					
Public safety and legal services	-	-	-	-	-
County environment and education	-	-	-	-	-
Governmental services to residents	8,498	-	-	-	-
Non-program	-	-	-	-	261,093
Debt service	-	-	-	-	334,794
Total expenditures	8,498	-	-	-	595,887
Excess (deficiency) of revenues over (under) expenditures	(1,187)	6	2,819	14,853	(494,990)
Other financing sources (uses):					
Transfers in	1,650	-	-	-	-
Transfers out	-	(1,650)	-	-	-
Drainage warrants issued	-	-	-	-	254,644
Total other financing sources (uses)	1,650	(1,650)	-	-	254,644
Change in fund balances	463	(1,644)	2,819	14,853	(240,346)
Fund balances beginning of year	82,305	1,644	2,870	(82,096)	83,251
Fund balances end of year	$ 82,768	-	5,689	(67,243)	(157,095)

See accompanying independent auditor’s report.

Special Revenue									
Confiscated Property Fees	Low and Moderate Income	Waste Manage-ment Reduction	Supple-mental Environ-mental Project	Dickinson County Trails	Trails Maintenance	Conservation Foundation	Courthouse Memorial	Total
-	-	-	-	-	-	-	-	14,837
-	-	92,380	-	-	-	-	-	98,979
-	-	-	-	9,783	-	-	1	10,533
1,841	-	2,710	-	221,092	-	57,464	-	386,808
1,841	-	95,090	-	230,875	-	57,464	1	511,157
-	-	-	-	-	-	-	-	-
-	86,240	78,293	-	340,140	103,851	32,740	-	641,264
-	-	-	-	-	-	-	-	8,498
-	-	-	-	-	-	-	-	261,093
-	-	-	-	-	-	-	-	334,794
-	86,240	78,293	-	340,140	103,851	32,740	-	1,245,649
1,841	(86,240)	16,797	-	(109,265)	(103,851)	24,724	1	(734,492)
-	130,157	-	-	-	125,000	-	-	256,807
-	-	-	-	-	-	-	-	(1,650)
-	-	-	-	-	-	-	-	254,644
-	130,157	-	-	-	125,000	-	-	509,801
1,841	43,917	16,797	-	(109,265)	21,149	24,724	1	(224,691)
1,356	368,709	25,868	3	1,073,415	4,441	609,219	180	2,171,165
3,197	412,626	42,665	3	964,150	25,590	633,943	181	1,946,474

Dickinson County

Combining Schedule of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2015

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	$ -	1,198	212,848	100,941
Other County officials	207,651	-	-	-
Receivables:				
Property tax:				
Delinquent	-	40	104	3,120
Succeeding year	-	219,000	510,000	17,594,000
Accounts	5,410	-	-	-
Accrued interest	-	-	-	-
Special assessments	-	-	-	-
Drainage assessments	-	-	-	-
Due from other governments	-	-	-	-
Prepaid insurance	-	-	-	-
Total assets	$ 213,061	220,238	722,952	17,698,061
Liabilities				
Accounts payable	$ -	-	1,531	
Salaries and benefits payable	-	-	13,710	-
Due to other governments	213,061	220,238	681,510	17,698,061
Trusts payable	-	-	-	-
Compensated absences	-	-	26,201	-
Total liabilities	$ 213,061	220,238	722,952	17,698,061

See accompanying independent auditor's report.

Community Colleges	Corpor- ations	Townships	Auto License, Use Tax and Drivers' License	Other	Total
7,844	70,766	3,065	519,312	725,574	1,641,548
-	-	-	-	-	207,651
261	3,011	57	-	1,353	7,946
2,183,000	11,696,000	450,000	-	5,477,000	38,129,000
-	-	-	-	15,198	20,608
-	-	-	-	494	494
-	206,990	-	-	-	206,990
-	-	-	-	258,374	258,374
-	-	-	-	20,483	20,483
-	-	-	-	1,117	1,117
2,191,105	11,976,767	453,122	519,312	6,499,593	40,494,211
-	-	-	-	16,543	18,074
-	-	-	-	2,715	16,425
2,191,105	11,976,767	453,122	519,312	6,469,165	40,422,341
-	-	-	-	4,774	4,774
-	-	-	-	6,396	32,597
2,191,105	11,976,767	453,122	519,312	6,499,593	40,494,211

Dickinson County

Combining Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds

Year ended June 30, 2015

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets and Liabilities				
Balances beginning of year	$ 175,601	232,352	472,809	18,598,108
Additions:				
Property and other county tax	-	203,667	739,754	16,627,175
E911 surcharges	-	-	-	-
State tax credits	-	7,593	19,847	642,091
Office fees and collections	455,660	-	-	-
Auto licenses, drivers' licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	897,084	-	-	-
Miscellaneous	-	-	314	-
Total additions	1,352,744	211,260	759,915	17,269,266
Deductions:				
Agency remittances:				
To other funds	427,178	-	-	-
To other governments	54,358	223,374	509,772	18,169,313
Trusts paid out	833,748	-	-	-
Total deductions	1,315,284	223,374	509,772	18,169,313
Balances end of year	$ 213,061	220,238	722,952	17,698,061

See accompanying independent auditor’s report.

Community Colleges	Corpora-tions	Townships	Auto License, Use Tax and Drivers' License	Other	Total
2,299,379	12,405,492	423,565	485,180	6,121,580	41,214,066
1,308,624	11,450,507	442,893	-	5,768,637	36,541,257
-	-	-	-	297,234	297,234
49,706	566,216	16,638	-	147,765	1,449,856
-	-	-	-	-	455,660
-	-	-	6,167,169	-	6,167,169
-	35,898	-	-	63,211	99,109
-	-	-	-	78,583	975,667
-	-	-	15	320,398	320,727
1,358,330	12,052,621	459,531	6,167,184	6,675,828	46,306,679
-	-	-	231,482	-	658,660
1,466,604	12,481,346	429,974	5,901,570	6,194,975	45,431,286
-	-	-	-	102,840	936,588
1,466,604	12,481,346	429,974	6,133,052	6,297,815	47,026,534
2,191,105	11,976,767	453,122	519,312	6,499,593	40,494,211

Dickinson County

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

For the Last Ten Years

	2015	2014	2013	2012
Revenues:				
Property and other county tax	$ 8,745,388	8,520,932	8,172,638	7,641,275
Tax increment financing	601,203	623,530	613,089	755,022
Local option sales tax	1,284,712	1,070,286	1,211,552	1,112,969
Interest and penalty on property tax	70,657	71,953	77,837	81,622
Intergovernmental	3,898,652	4,603,348	3,492,114	3,974,019
Licenses and permits	27,475	31,398	29,192	26,438
Charges for service	831,957	746,058	750,598	783,089
Use of money and property	254,292	218,678	155,768	242,015
Miscellaneous	572,372	968,175	598,411	1,301,687
Total	$ 16,286,708	16,854,358	15,101,199	15,918,136
Expenditures:				
Operating:				
Public safety and legal services	$ 2,469,254	2,309,002	2,297,986	2,144,921
Physical health and social services	441,405	488,597	531,217	496,257
Mental health	569,695	458,537	483,324	1,907,359
County environment and education	1,981,743	2,654,821	2,717,185	2,130,823
Roads and transportation	3,417,401	3,610,183	3,777,499	3,006,073
Governmental services to residents	715,146	711,827	680,024	648,715
Administration	1,904,593	1,962,582	1,855,411	1,886,325
Non-program	494,081	336,776	550,946	212,090
Debt service	3,042,341	2,666,176	1,999,826	1,403,790
Capital projects	1,414,329	1,879,197	1,582,433	468,040
Total	$ 16,449,988	17,077,698	16,475,851	14,304,393

See accompanying independent auditor's report.

Modified Accrual Basis					
2011	2010	2009	2008	2007	2006
7,637,937	6,634,100	6,138,717	6,005,253	6,373,101	6,139,577
902,236	810,056	726,935	339,504	290,732	171,729
1,128,037	976,690	1,094,722	1,099,717	1,160,279	1,047,358
102,332	109,867	106,336	92,108	75,523	81,543
4,723,680	4,539,983	3,884,878	3,445,434	3,721,046	3,485,650
21,003	21,852	55,517	27,664	95,448	81,844
811,289	702,101	728,348	714,019	641,431	614,667
350,878	315,118	367,074	604,102	768,551	653,734
1,174,143	1,721,288	681,048	903,971	910,311	365,884
16,851,535	15,831,055	13,783,575	13,231,772	14,036,422	12,641,986
2,075,000	2,100,461	2,156,711	2,053,184	1,901,283	1,714,531
503,091	504,145	480,887	516,069	511,953	514,913
1,567,038	1,459,058	1,411,752	1,443,277	1,265,297	1,248,013
1,822,520	2,544,159	1,768,270	1,924,663	1,556,431	899,827
3,596,528	2,907,392	3,321,261	3,061,942	2,716,267	2,313,687
546,284	573,635	573,533	509,223	445,929	533,722
1,749,855	1,682,226	1,787,404	1,400,817	1,414,191	1,312,669
162,512	337,982	215,994	506,128	449,629	178,861
2,040,341	2,111,933	1,809,695	2,106,582	1,417,441	1,387,082
2,167,881	5,509,379	2,414,730	1,761,521	3,617,262	7,535,865
16,231,050	19,730,370	15,940,237	15,283,406	15,295,683	17,639,170

Dickinson County

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

To the Officials of Dickinson County:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Dickinson County, Iowa, as of and for the year ended June 30, 2015, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 19, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dickinson County's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dickinson County's internal control. Accordingly, we do not express an opinion on the effectiveness of Dickinson County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control we consider to be material weaknesses and a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the County's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items (A) and (B) to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings as item (C) to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dickinson County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters which 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, 2015 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Dickinson County's Responses to the Findings

Dickinson County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. Dickinson County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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.

Mary Mosiman

MARY MOSIMAN, CPA
Auditor of State

Warren Jenkins

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

January 19, 2016

Dickinson County

Schedule of Findings

Year ended June 30, 2015

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

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

	Applicable Offices
(1) Responsibilities for collection, deposit preparation and reconciliation functions are not segregated from those for recording and accounting for cash receipts.	County Recorder, County Sheriff and Ag Extension
(2) Preparing bank reconciliations and handling and recording cash functions are not segregated. Bank reconciliations are not reviewed by an independent person for propriety.	County Recorder
(3) All incoming mail is not opened by an employee who is not authorized to make entries to the accounting records. An initial listing is not completed and compared to receipt records by an independent person.	County Recorder and County Sheriff

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

Responses –

Ag Extension – We are a small office with three full time staff and two part time. All have access to receipting income and petty cash. We have an off-site bookkeeper who prepares reports and a nine-person elected council which reviews financial on a monthly basis.

The District will continue to segregate duties to the best of our abilities and to provide ongoing financial reporting/reviewing by offsite staff, county staff, regional staff, and our elected officials.

County Sheriff – We will try to segregate duties.

<u>County Recorder</u> – The Dickinson County Recorder's office will continue to implement more control activities within reason, such as independent quarterly review of bank reconciliations by Janelle. The County will also continue to review the monthly bank reconciliations and make this review evident by initials and dates of review by reviewer. The Recorder's office plans to alter the mail process and segregate the mail opening and listing processes.

<u>Conclusions</u> – Responses acknowledged. The officials should utilize current personnel, including elected officials, to provide additional control through review of financial transactions, reconciliations and reports.

(B) <u>Financial Reporting</u> – During the audit, we identified material amounts of capital asset additions not recorded in the County's financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements. In addition, immaterial amounts of payables were not coded to the correct fiscal year. Adjustments were not made for the immaterial payable errors.

<u>Recommendation</u> – The County should implement procedures to ensure all payables and capital asset additions are identified and properly included in the County's financial statements.

<u>Response</u> – The County will make every effort possible to ensure all payables and capital asset additions are included in the County's financial statements and work closely with the Trails Board to obtain asset information in a timely manner.

<u>Conclusion</u> – Response accepted.

(C) <u>County Credit Card</u> – Per the County's credit card policy, original receipts documenting charges are required for all purchases. For six of sixty eight transactions tested, an original itemized receipt was not submitted, although a credit card receipt was submitted.

<u>Recommendation</u> – Original itemized receipts should be maintained for all credit card charges.

<u>Response</u> – Department Heads and direct Supervisors will be reinstructed regarding credit card purchases. Per County policy, an original itemized receipt is required for reimbursement for the expenditure. Department Heads/Supervisors will educate their staff that all credit card transactions must be supported by an original itemized receipt. Failure to provide the required information, may be cause for non-payment of expenditure.

<u>Conclusion</u> – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

Other Findings Related to Required Statutory Reporting:

(1) Certified Budget – Disbursements during the year ended June 30, 2015 exceeded the amount budgeted in the nonprogram function. Also, disbursements for one department exceeded the amount appropriated prior to amendment.

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

Response – The County will be diligent in its efforts to be in compliance with Chapter 331.435 of the Code of Iowa so disbursements do not exceed what is budgeted prior to amending. In addition, every effort will be made to be in compliance with Chapter 331.434(6) of the Code of Iowa which authorizes the Board of Supervisor, by resolution, to increase or decrease appropriations of one office or department increasing or decreasing the appropriations of another office or department as long as the function budget is not increased.

Conclusion – Response accepted.

(2) Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

(3) Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

(4) Business Transactions – Business transactions between the County and County officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Brandon Vodraska, Deputy Sheriff, Owner of 911 Installs	Vehicle equipment installs/uninstalls	$ 6,455

These transactions may represent a conflict of interest in accordance with Chapter 331.342 of the Code of Iowa since total transactions were more than $1,500 during the year and the transactions were not competitively bid.

Recommendation – The County should consult legal counsel to determine the proper disposition of this matter.

Response – Beginning in fiscal year 2016, we have put these services out for bid.

Conclusion – Response accepted.

(5) 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 ensure the coverage is adequate for current operations.

(6) Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

The Water Quality Commission is required to publish meeting minutes per Chapter 349.18 of the Code of Iowa. One instance was noted where meeting minutes were not published as required.

Recommendation – The County should ensure all meeting minutes are published as required.

Responses – The Commission will ensure a response message is received from the newspaper and then place a reminder in my calendar to check for meeting minutes and a billing from the paper in question to ensure the minutes were actually published in a timely manner. If the minutes are not published in the paper in a timely manner I will investigate why they were not published and request the minutes be published.

Conclusion – Response accepted.

(7) Deposits and Investments – Except as noted, no instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa were noted:

The County's investment policy states no more than 5% of the portfolio may be invested in the securities of a single issuer. At June 30, 2015, the County's investments in the Federal Home Loan Bank (FHLB) exceeded the 5% limitation.

Recommendation – The County should invest public funds only as authorized by its investment policy. If the County intends to authorize certain investments to exceed the 5% limitation, the investment policy should be amended accordingly.

Response – The Dickinson County Treasurer has amended the Dickinson County Investment policy in Section VIII, Diversification, per the recommendation. The amended Investment Policy will be presented to the Dickinson County Board of Supervisors on January 26, 2016, for approval. The Dickinson County Treasurer will review diversification needs of the County with the investment broker as well.

Conclusion – Response accepted.

(8) Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

(9) 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, 2015 for the County Extension Office did not exceed the amount budgeted.

(10) Annual Urban Renewal Report – The Annual Urban Renewal Report was approved and certified to the Iowa Department of Management by December 1.

However, the County's expenses and ending cash balance of the Special Revenue, TIF and Urban Renewal Fund reported in the Levy Authority Summary do not agree with the County's general ledger. Also, the TIF Debt Outstanding reported in the Levy Authority Summary was not fully supported.

Recommendation – The County should file the Urban Renewal Annual Report timely and ensure the amounts reported in the Levy Authority Summary page agree with and are supported by the County's records.

Response – The County has submitted the Annual Urban Renewal Report in a timely fashion, and will continue to be in compliance. Additionally, with the help of the State Auditor, we have gained a greater understanding of the report and have filed an accurate report that balances in totality to the County's records and have documentation to support.

Conclusion – Response accepted.

(11) Financial Condition – At June 30, 2015, the Special Revenue, Resource Enhancement and Protection (REAP) and Drainage Districts Funds had deficit fund balances of $67,243 and $157,095, respectively.

Recommendation – The County should investigate alternatives to eliminate these deficits to return the funds to a sound financial position.

Response – The REAP Fund deficit balance is the direct result of an advance from the General Fund, which in due time will be paid off as the REAP funds are collected. The Special Revenue, Drainage District Fund deficit will be eliminated from the collection of future assessments.

Conclusion – Response accepted.

(12) Tax Increment Financing (TIF) Indebtedness Certification – Chapter 403.19 of the Code of Iowa provides a municipality shall certify loans, advances, indebtedness and bonds (indebtedness) to the County Auditor. Such certification makes it a duty of the County Auditor to provide for the division of property tax to repay the certified indebtedness and, as such, the County Auditor shall provide available incremental property tax in subsequent fiscal years without further certification until the amount of certified indebtedness is paid. Indebtedness incurred is to be certified to the County Auditor and then the divided property tax is to be used to pay the principal and interest on the certified indebtedness.

The Dickinson County/Orleans urban renewal area incurred project costs in excess of the amount of debt issued and certified as TIF debt in 2009.

As of June 30, 2015, the development agreement associated with the Silver Shore urban renewal area and the Shore Acres urban renewal area were fully paid and the required low-and-moderate-income funds had been allocated to the respective LMI accounts. However, the Silver Shore Urban Renewal and the Shore Acres urban renewal account have balances of $101,816 and $38,101, respectively, at June 30, 2015, which represents TIF collections in excess of the TIF debt certified.

The County Auditor has not prepared a reconciliation of tax increment financing remitted to the amount of debt certified for the County urban renewal areas as well as the urban renewal areas of the Cities within the County.

Recommendation – By resolution, the County Board of Supervisors should establish TIF debt for the additional costs for the Dickinson County/Orleans urban renewal area and certify the debt as TIF debt. The County should consult TIF legal counsel to determine the appropriate resolution for the excess TIF collections in the Silver Shore and Shore Acres Urban Renewal accounts. The County Auditor should annually prepare a reconciliation of tax increment financing remitted to the amount of debt certified for all urban renewal areas within the County.

Response – The County Board of Supervisors will adopt a resolution that additional TIF debt was incurred in the Dickinson County/Orleans Urban Renewal Area. The County has conversed with TIF legal counsel and the excess collected in the Silver Shore and Shore Acres Urban Renewal Areas will be apportioned back to the proper taxing entities. Additionally, reconciliations have been completed for county urban renewal areas and the County Auditor will work diligently to complete the reconciliations for the area cities.

Conclusion – Response accepted.

Dickinson County

Staff

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