



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE

March 11, 2003

Contact: Andy Nielsen
515/281-5515

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

The County had local tax revenue of \$27,871,365 for the year ended June 30, 2002, which included \$804,355 in tax credits from the state. The County forwarded \$23,549,715 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$4,321,650 of the local tax revenue to finance County operations, an 18% increase from the prior year. Other revenues included \$2,501,161 from the state, including indirect federal funding, \$834,927 in local option sales tax, \$56,993 in hotel/motel tax, and \$279,283 in interest on investments. The significant increase is due primarily to an increase in property taxes for the General and Rural Services Funds.

Expenditures for County operations totaled \$9,172,442, an 8% increase from the prior year. Expenditures included \$2,064,231 for roads and transportation, \$1,600,705 for capital projects and \$1,404,534 for public safety.

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

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

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Dickinson County

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
K. June Goldman	Board of Supervisors	Jan 2003
David Gottsche	Board of Supervisors	Jan 2003
Wayne Northey	Board of Supervisors	Jan 2003
Nancy Reiman	County Auditor	Jan 2005
Linda Voss	County Treasurer	Jan 2003
Janice Bortscheller	County Recorder	Jan 2003
Gregory Baloun	County Sheriff	Jan 2005
Edward Bjornstad	County Attorney	Jan 2003
Patricia Dodds	County Assessor	Jan 2004

Dickinson County



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Independent Auditor's Report

To the Officials of Dickinson County:

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

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

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

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

In accordance with Government Auditing Standards, we have also issued our report dated December 12, 2002 on our consideration of Dickinson County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the general purpose financial statements for the three years ended June 30, 2001 (none of which are presented herein) and expressed qualified opinions on those financial statements for the effects of the omission of the statement of general fixed assets and the omission of the materials and supplies inventories, pertaining primarily to the Special Revenue Funds. The supplemental information included in Schedules 1 through 11, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in our audit of the aforementioned financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

December 12, 2002

Financial Statements

Dickinson County
 Combined Balance Sheet
 All Fund Types and Account Group
 June 30, 2002

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits				
Cash and pooled investments:				
County Treasurer	\$ 3,142,750	2,669,762	36,508	92,569
Other County officials	-	-	-	-
Conservation Foundation	-	19,618	-	-
Bequest held by bank	-	-	-	-
Receivables:				
Property tax:				
Delinquent	1,197	317	-	-
Succeeding year	3,043,000	1,466,000	-	-
Interest and penalty on property tax	2,523	-	-	-
Accounts	793	2,617	-	-
Accrued interest	9,542	25	-	-
Special assessments	-	-	-	-
Drainage assessments:				
Current	-	29,953	-	-
Future	-	338,250	-	-
Economic development loans (note 7)	-	21,000	-	-
Due from other funds (note 3)	90,951	104,713	1,186	-
Due from other governments	59,942	250,312	-	-
Prepaid expenditures	18,641	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
Amount to be provided for retirement of drainage warrants	-	-	-	-
Total assets and other debits	\$ 6,369,339	4,902,567	37,694	92,569

<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Account Group</u>	<u>Total</u>
<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Long-Term Debt</u>	<u>(Memorandum Only)</u>
192,633	1,411,791	-	7,546,013
-	64,684	-	64,684
-	-	-	19,618
-	71,961	-	71,961
-	11,606	-	13,120
-	22,863,000	-	27,372,000
-	-	-	2,523
-	33,013	-	36,423
2,225	120	-	11,912
-	264,706	-	264,706
-	-	-	29,953
-	2,461,301	-	2,799,551
-	-	-	21,000
-	-	-	196,850
-	20,611	-	330,865
-	-	-	18,641
-	-	246,850	246,850
-	-	250,991	250,991
194,858	27,202,793	497,841	39,297,661

Dickinson County
 Combined Balance Sheet
 All Fund Types and Account Group
 June 30, 2002

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities and Fund Equity				
Liabilities:				
Accounts payable	\$ 36,904	164,086	-	-
Salaries and benefits payable	68,223	41,097	-	-
Due to other funds (note 3)	-	1,186	104,000	-
Due to other governments (note 4)	1,613	123,213	895	-
Trusts payable	-	-	-	-
Deferred revenue:				
Succeeding year property tax	3,043,000	1,466,000	-	-
Other	29,919	389,376	-	-
Deferred payment contracts (note 5)	-	-	-	-
Drainage warrants payable (note 5)	-	-	-	-
Compensated absences	16,763	17,716	-	-
Total liabilities	3,196,422	2,202,674	104,895	-
Fund equity:				
Unreserved retained earnings	-	-	-	-
Fund balances:				
Reserved for:				
Prepaid expenditures	18,641	-	-	-
Debt service	-	-	(67,201)	-
Unreserved	3,154,276	2,699,893	-	92,569
Total fund equity	3,172,917	2,699,893	(67,201)	92,569
Total liabilities and fund equity	\$ 6,369,339	4,902,567	37,694	92,569

See notes to financial statements.

<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Account Group</u>	<u>Total</u>
<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Long-Term Debt</u>	<u>(Memorandum Only)</u>
3,654	208,570	-	413,214
-	9,474	-	118,794
-	91,664	-	196,850
-	24,086,238	-	24,211,959
-	15,035	-	15,035
-	-	-	4,509,000
-	17,233	-	436,528
-	-	106,500	106,500
-	2,177,261	250,991	2,428,252
-	12,418	140,350	187,247
<u>3,654</u>	<u>26,617,893</u>	<u>497,841</u>	<u>32,623,379</u>
191,204	-	-	191,204
-	-	-	18,641
-	-	-	(67,201)
-	584,900	-	6,531,638
<u>191,204</u>	<u>584,900</u>	<u>-</u>	<u>6,674,282</u>
<u>194,858</u>	<u>27,202,793</u>	<u>497,841</u>	<u>39,297,661</u>

Dickinson County

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

Year ended June 30, 2002

	Governmental	
	General	Special Revenue
Revenues:		
Property and other County tax	\$3,203,251	1,854,045
Interest and penalty on property tax	63,304	-
Intergovernmental	331,034	2,346,806
Licenses and permits	37,856	943
Charges for service	446,076	43,552
Use of money and property	257,304	34,567
Miscellaneous	50,825	117,314
Total revenues	4,389,650	4,397,227
Expenditures:		
Operating:		
Public safety	1,381,805	22,729
Court services	69,258	-
Physical health and education	91,717	56,000
Mental health	-	1,223,252
Social services	290,967	-
County environment	362,335	184,861
Roads and transportation	-	2,064,231
State and local government services	341,556	12,125
Interprogram services	1,028,272	70,035
Non-program	41,734	104,081
Debt service	-	49,517
Capital projects	-	1,556,328
Total expenditures	3,607,644	5,343,159
Excess (deficiency) of revenues over (under) expenditures	782,006	(945,932)

Fund Types		Fiduciary Fund Type	Total
Debt Service	Capital Projects	Expendable Trust	(Memorandum Only)
-	-	-	5,057,296
-	-	-	63,304
-	-	100,675	2,778,515
-	-	-	38,799
-	-	-	489,628
-	-	19,309	311,180
-	-	24,544	192,683
-	-	144,528	8,931,405
-	-	-	1,404,534
-	-	-	69,258
-	-	-	147,717
-	-	-	1,223,252
-	-	-	290,967
-	-	21,389	568,585
-	-	-	2,064,231
-	-	-	353,681
-	-	-	1,098,307
-	-	-	145,815
155,873	-	-	205,390
-	-	44,377	1,600,705
155,873	-	65,766	9,172,442
(155,873)	-	78,762	(241,037)

Dickinson County

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

Year ended June 30, 2002

	<u>Governmental</u>	
	<u>General</u>	<u>Special</u>
		<u>Revenue</u>
Other financing sources (uses):		
Deferred payment contract	85,000	-
Proceeds from drainage warrants	-	106,317
Operating transfers in	3,200	1,620,590
Operating transfers out	(236,056)	(1,476,406)
Total other financing sources (uses)	<u>(147,856)</u>	<u>250,501</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	634,150	(695,431)
Fund balances beginning of year	2,547,484	3,395,324
Decrease in reserve for prepaid expenditures	<u>(8,717)</u>	-
Fund balances end of year	<u>\$3,172,917</u>	<u>2,699,893</u>

See notes to financial statements.

<u>Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Total</u>
<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	<u>(Memorandum Only)</u>
-	-	-	85,000
-	-	-	106,317
88,672	-	-	1,712,462
-	-	-	(1,712,462)
88,672	-	-	191,317
(67,201)	-	78,762	(49,720)
-	92,569	506,138	6,541,515
-	-	-	(8,717)
(67,201)	92,569	584,900	6,483,078

Dickinson County

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

Year ended June 30, 2002

	Actual	Less Funds not Required to be Budgeted
Receipts:		
Property and other County tax	\$ 5,048,373	-
Interest and penalty on property tax	63,311	-
Intergovernmental	2,748,931	1,713
Licenses and permits	38,381	-
Charges for service	497,850	-
Use of money and property	342,518	-
Miscellaneous	193,809	91,757
Total receipts	8,933,173	93,470
Disbursements:		
Public safety	1,408,814	-
Court services	70,628	-
Physical health and education	150,005	-
Mental health	1,178,790	-
Social services	316,766	-
County environment	579,743	56,169
Roads and transportation	2,078,077	-
State and local government services	352,805	-
Interprogram services	1,008,648	-
Non-program	142,988	106,317
Debt service	206,051	49,517
Capital projects	1,552,662	-
Total disbursements	9,045,977	212,003
Excess (deficiency) of receipts over (under) disbursements	(112,804)	(118,533)
Other financing sources, net	106,317	106,317
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(6,487)	(12,216)
Balance beginning of year	6,561,523	68,472
Balance end of year	\$ 6,555,036	56,256

See notes to financial statements.

Net	Amended Budget	Variance - Favorable (Unfavorable)	Net as % of Amended Budget
5,048,373	5,036,763	11,610	100%
63,311	43,200	20,111	147%
2,747,218	3,178,164	(430,946)	86%
38,381	56,300	(17,919)	68%
497,850	333,400	164,450	149%
342,518	287,004	55,514	119%
102,052	88,786	13,266	115%
<u>8,839,703</u>	<u>9,023,617</u>	<u>(183,914)</u>	<u>98%</u>
1,408,814	1,482,328	73,514	95%
70,628	72,200	1,572	98%
150,005	170,267	20,262	88%
1,178,790	1,467,367	288,577	80%
316,766	383,039	66,273	83%
523,574	626,767	103,193	84%
2,078,077	2,546,200	468,123	82%
352,805	353,907	1,102	100%
1,008,648	1,697,193	688,545	59%
36,671	50,000	13,329	73%
156,534	155,000	(1,534)	101%
<u>1,552,662</u>	<u>1,946,000</u>	<u>393,338</u>	<u>80%</u>
<u>8,833,974</u>	<u>10,950,268</u>	<u>2,116,294</u>	<u>81%</u>
5,729	(1,926,651)		
-	-		
5,729	(1,926,651)		
<u>6,493,051</u>	<u>5,008,383</u>		
<u>6,498,780</u>	<u>3,081,732</u>		

Exhibit D

Dickinson County
Combined Statement of Revenues, Expenses and Changes in Retained Earnings
Proprietary Fund Type
Year ended June 30, 2002

	<u>Internal Service - Employee Group Health</u>
Operating revenues:	
Reimbursements from operating funds	\$ 63,028
Operating expenses:	
Medical claims	<u>19,257</u>
Operating income	43,771
Non-operating revenues:	
Interest on investments	<u>6,956</u>
Net income	50,727
Retained earnings beginning of year	<u>140,477</u>
Retained earnings end of year	<u><u>\$ 191,204</u></u>

See notes to financial statements.

Dickinson County
 Combined Statement of Cash Flows
 Proprietary Fund Type
 Year ended June 30, 2002

	Internal Service - Employee Group Health
Cash flows from operating activities:	
Cash received from operating fund reimbursements	\$ 63,028
Cash payments to suppliers for services	(17,464)
Net cash provided by operating activities	45,564
Cash flows from investing activities:	
Interest on investments	9,027
Net increase in cash and cash equivalents	54,591
Cash and cash equivalents at beginning of year	138,042
Cash and cash equivalents at end of year	\$ 192,633
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 43,771
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in accounts payable	1,793
Net cash provided by operating activities	\$ 45,564

See notes to financial statements.

Dickinson County

Notes to Financial Statements

June 30, 2002

(1) Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

Eighty-six drainage districts have been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although these districts are legally separate from the County, they are controlled, managed and supervised by the Dickinson County Board of Supervisors. The drainage districts are reported as a Special Revenue Fund. The County has other drainage districts that are managed and supervised by elected trustees. The financial transactions of these districts are reported as an Agency Fund. Financial information 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 would be used to purchase items that are not included in the County's budget. The financial transactions of this foundation have been displayed as a Special Revenue Fund.

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

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

B. Fund Accounting

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

Governmental Funds

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

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

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

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

Proprietary Fund

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

Fiduciary Funds

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

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

Account Group

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

C. Measurement Focus

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

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

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

D. Basis of Accounting

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

All Governmental Funds and Expendable Trust Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when they become both measurable and available. Available means collectible within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred except for unmatured interest on general long-term debt, which is recognized when due. Disbursements for the purchase of assets providing future benefits are recorded as expenditures at time of purchase.

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

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

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

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

E. Assets, Liabilities and Fund Equity

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

Cash, Pooled Investments and Cash Equivalents – The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law. Investments are stated at fair value except for 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, they have a maturity date no longer than three months.

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

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

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

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

Special Assessments Receivable - Special assessments receivable represent the amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in not less than ten, nor more than twenty, annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Special assessments receivable represent assessments which are due and payable but have not been collected.

Drainage Assessments Receivable - Current drainage assessments receivable represent the amounts already assessed to individuals for work done on drainage districts which benefits their property. These assessments are payable by individuals in not less than 10, nor more than 20, annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes.

Future drainage assessments receivable represent amounts which will be assessed to individuals and levied against their property in the future for work already done on drainage districts which benefit their property.

Current and future drainage assessments receivable represent assessments which are due and payable but have not been collected.

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

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

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

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

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

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

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

F. Budgets and Budgetary Accounting

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

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

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

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

	Governmental Fund Types					
	General			Special Revenue		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 4,403,966	(14,316)	4,389,650	4,385,331	11,896	4,397,227
Expenditures	3,544,988	62,656	3,607,644	5,264,491	78,668	5,343,159
Net	858,978	(76,972)	782,006	(879,160)	(66,772)	(945,932)
Other financing sources (uses)	(232,857)	85,001	(147,856)	146,137	104,364	250,501
Beginning fund balances	2,516,629	30,855	2,547,484	3,422,403	(27,079)	3,395,324
Decrease in reserve for prepaid expenditures	-	-	(8,717)	-	-	-
Ending fund balances	\$ 3,142,750	38,884	3,172,917	2,689,380	10,513	2,699,893

	Governmental Fund Types					
	Debt Service			Capital Projects		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ -	-	-	-	-	-
Expenditures	156,529	(656)	155,873	-	-	-
Net	(156,529)	656	(155,873)	-	-	-
Other financing sources (uses)	193,037	(104,365)	88,672	-	-	-
Beginning fund balances	-	-	-	92,569	-	92,569
Decrease in reserve for prepaid expenditures	-	-	-	-	-	-
Ending fund balances	\$ 36,508	(103,709)	(67,201)	92,569	-	92,569

	Fiduciary Fund Type					
	Expendable Trust			Total		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 143,876	652	144,528	8,933,173	(1,768)	8,931,405
Expenditures	79,969	(14,203)	65,766	9,045,977	126,465	9,172,442
Net	63,907	14,855	78,762	(112,804)	(128,233)	(241,037)
Other financing sources (uses)	-	-	-	106,317	85,000	191,317
Beginning fund balances	529,922	(23,784)	506,138	6,561,523	(20,008)	6,541,515
Decrease in reserve for prepaid expenditures	-	-	-	-	(8,717)	(8,717)
Ending fund balances	\$ 593,829	(8,929)	584,900	6,555,036	(71,958)	6,483,078

G. Total (Memorandum Only)

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

(2) Cash and Pooled Investments

The County's deposits at June 30, 2002 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

The County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$1,753 pursuant to Rule 2a-7 under the Investment Company Act of 1940 and are not subject to risk categorization.

(3) Due from and Due to Other Funds

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

Receivable Fund	Payable Fund	Amount
General	Trust and Agency:	
	County Auditor	\$ 20
	County Recorder	17,402
	County Sheriff	28,733
	County Assessor	35,437
	Auto License and Use Tax	9,359
Special Revenue:		
Rural Services	Debt Service	104,000
County Recorder's Records Management	Trust and Agency: County Recorder	713
Debt Service	Special Revenue:	
	Moore Lake Fire TIF	291
	East Okoboji Beach Sewer TIF	895
Total		\$ 196,850

(4) Due to Other Governments

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

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
General	Services	\$ 1,613
Special Revenue:		
Secondary Roads	Services	3,086
Mental Health		120,127
		<u>123,213</u>
Debt Service	Collections	895
Trust and Agency:		
Agrecultural Extension Education	Collections	144,269
County Assessor		387,350
Schools		11,367,043
Community Colleges		794,382
Corporations		7,675,246
Townships		267,788
City Special Assessments		265,817
Auto License and Use Tax		300,282
Iowa Great Lakes Sanitary		
Sewer District		2,319,158
County Hospital		101,002
Emergency Management Services		48,474
E911		294,322
City Drainage Districts		88,661
All other		32,444
		<u>24,086,238</u>
Total		<u>\$24,211,959</u>

(5) Changes in Long-Term Debt

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

	<u>Deferred</u>	<u>Drainage</u>	<u>Compen-</u>	
	<u>Payment</u>	<u>Warrants</u>	<u>sated</u>	<u>Total</u>
	<u>Contract</u>		<u>Absences</u>	
Balance beginning of year	\$ 35,000	422,768	135,323	593,091
Additions	85,000	106,317	5,027	196,344
Reductions and transfers	(13,500)	(278,094)	-	(291,594)
Balance end of year	<u>\$ 106,500</u>	<u>250,991</u>	<u>140,350</u>	<u>497,841</u>

Drainage Warrants Payable

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

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

Deferred Payment Contracts

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

Details of the deferred payment contracts and annual payments to maturity at June 30, 2002 are as follows:

Year Ending June 30,	Dated August 27, 2000			Dated February 6, 2002			Total		
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest	Principal	Interest	Total
2003	7.0%	\$ 7,000	2,083	6.0%	\$ 15,000	4,105	\$ 22,000	6,188	28,188
2004	7.0	7,000	1,593	6.0	15,000	3,600	22,000	5,193	27,193
2005	7.0	7,000	1,103	6.0	15,000	2,700	22,000	3,803	25,803
2006	7.0	7,000	613	6.0	15,000	1,800	22,000	2,413	24,413
2007	7.0	3,500	123	6.0	15,000	900	18,500	1,023	19,523
		<u>\$ 31,500</u>	<u>5,513</u>		<u>\$ 75,000</u>	<u>13,105</u>	<u>\$ 106,500</u>	<u>18,618</u>	<u>125,118</u>

During the year ended June 30, 2002, principal of \$13,500 was paid on the deferred payment contracts.

(6) Pension and Retirement Benefits

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

Plan members are required to contribute 3.70% of their annual covered salary and the County is required to contribute 5.75% of annual covered payroll except for law enforcement employees, in which case the percentages are 5.50% and 8.25%, respectively. Contribution requirements are established by state statute. The County's contribution to IPERS for the years ended June 30, 2002, 2001, and 2000 were \$152,874, \$143,290, and \$137,505 respectively, equal to the required contributions for each year.

(7) Revolving Loan Fund

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

Outstanding loans by the Dickinson County Revolving Economic Development Fund at June 30, 2002 are as follows:

Loaned to	Date of Loan	Loan Amount	Interest Rate	Term of Loan	Loan Balance June 30, 2002
Farmers Co-op Elevator	July 24, 2001	\$ 15,000	3.0%	5 Years	\$ 15,000
Rosenboom Machine & Tool, Inc.	June 14, 1999	<u>9,000</u>	3.0%	5 Years	<u>6,000</u>
Total		<u>\$ 24,000</u>			<u>\$ 21,000</u>

(8) Risk Management

Dickinson County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool with over 400 members from various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property and inland marine. There have been no reductions in insurance coverage from prior years.

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

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

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's annual contributions to the Pool for the year ended June 30, 2002 were \$122,533.

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

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

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

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond. The County assumes liability for any deductibles and claims in excess of coverage limitations. The County assumes responsibility for workers compensation claims in excess of \$1,000,000 and employee blanket bond claims in excess \$50,000 (\$100,000 for the County Treasurer), respectively. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(9) Budget Overexpenditure

Per the Code of Iowa, disbursements may not legally exceed amounts budgeted by Service Area or amounts appropriated by department. During the year ended June 30, 2002, disbursements exceeded the amount budgeted in the Debt Service Service Area and disbursements in certain departments exceeded the amounts appropriated.

(10) Public Health

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

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

(11) Dickinson County Employee Group Health Fund

The Dickinson County Employee Group Health Fund was established to account for the partial self funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Wellmark, Inc. The agreement is subject to automatic renewal provisions. After an eligible employee with single coverage has paid \$100 of the applicable deductible amount under the contract during a calendar year or an eligible employee with a family coverage has paid \$200 of the applicable deductible amount under the contract during a calendar year, the employer will pay directly or reimburse any eligible employee for 70%

(90% if seen by a participating physician) of any additional expenses for services covered by the contract, but subject to the deductible or co-insurance provisions of the contract. An employee's maximum payment during any one calendar year for deductibles and co-insurance shall be \$750 with respect to single coverage and \$1,500 with respect to family coverage. After an employee has made the maximum prescribed payments, the employer will pay directly or reimburse the employee for 100% of any additional expenses for services covered by the contract, but subject to deductible or co-insurance provisions of the contract.

Monthly payments of service fees and plan contributions to the Dickinson County Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Wellmark, Inc. from the Dickinson County Employee Group Health Fund. The County records the plan assets and related liabilities of the Dickinson County Employee Group Health Fund as an Internal Service Fund. The County's contribution to the fund for the year ended June 30, 2002 was \$63,028.

The amounts payable from the Dickinson County Employee Health Fund at June 30, 2002 for incurred but not reported (IBNR) and reported but not paid claims has not been determined since the County has not obtained an actuarial opinion as required by Chapter 509A.15 of the Code of Iowa. These amounts are not expected to be material to the financial statements.

(12) Financial Condition

The Debt Service Fund had a deficit fund balance of \$67,201 at June 30, 2002. The County levied taxes to eliminate this deficit.

Supplemental Information

Schedule 1

Dickinson County

General Fund

Statement of Revenues, Expenditures and
Changes in Fund Balance

Year ended June 30, 2002

Revenues:

Property and other County tax:

Property tax	\$ 2,845,085	
Local option sales tax	208,732	
Hotel/motel tax	56,993	
Utility tax replacement excise tax	78,081	
Other	<u>14,360</u>	\$ 3,203,251

Interest and penalty on property tax 63,304

Intergovernmental:

State shared revenues:

Franchise tax	26,037	
Other	<u>1,900</u>	
	<u>27,937</u>	

State grants and reimbursements including
indirect federal funding:

Human services administration reimbursements	25,425	
Juvenile justice	12,465	
Drug control and system improvement formula grant	27,177	
Other	<u>29,700</u>	
	<u>94,767</u>	

State tax replacements:

State tax credits	107,525	
State allocation	<u>70,873</u>	
	<u>178,398</u>	

Contributions and reimbursements from other
governments:

Contract law enforcement	14,750	
Other	<u>15,182</u>	
	<u>29,932</u>	331,034

Licenses and permits 37,856

Dickinson County

General Fund

Statement of Revenues, Expenditures and
Changes in Fund Balance

Year ended June 30, 2002

Revenues (continued):

Charges for service:

Office fees and collections	293,866	
Auto registration, use tax and mailing	123,790	
Other	28,420	446,076
		<u>446,076</u>

Use of money and property:

Interest on investments		257,304
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Miscellaneous

Total revenues		<u>50,825</u>
		<u>4,389,650</u>

Expenditures:

Operating:

Public safety		1,381,805
Court services		69,258
Physical health and education		91,717
Social services		290,967
County environment		362,335
State and local government services		341,556
Interprogram services		1,028,272
Non-program		41,734
Total expenditures		<u>3,607,644</u>

Excess of revenues over expenditures

782,006

Other financing sources (uses):

Deferred payment contract	85,000	
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Operating transfers in (out):

Special Revenue:

Secondary Roads	(161,531)	
Revolving Economic Development	(20,000)	
Waste Management Reduction	3,200	
Historic Site Grant	(54,525)	(147,856)
		<u>(147,856)</u>

Excess of revenues and other financing sources
over expenditures and other financing uses

634,150

Fund balance beginning of year

2,547,484

Decrease in reserve for prepaid expenditures

(8,717)

Fund balance end of year

\$3,172,917

See accompanying independent auditor's report.

Schedule 2

Dickinson County

General Fund

Statement of Expenditures

Year ended June 30, 2002

Public Safety Service Area:

Law enforcement:

Uniformed patrol services	\$ 500,001	
Investigations	5,861	
Law enforcement communication	170,882	
Adult correction services	200,879	
Administration	120,936	
	<u>998,559</u>	

Legal services:

Criminal prosecution	352,830	
Medical examinations	5,613	
	<u>358,443</u>	

Emergency services:

Ambulance services	5,572	
Emergency Management	19,231	
	<u>24,803</u>	\$ 1,381,805

Court Services Service Area:

Assistance to district court system:

Research and other assistance	6,891	
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Court proceedings:

Juries and witnesses	11,616	
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Juvenile justice administration:

Court-appointed attorneys and court costs for juveniles	50,751	69,258
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Physical Health and Education Service Area:

Physical health services:

Sanitation	44,928	
Health administration	89	
	<u>45,017</u>	

Educational services:

Historic preservation	15,700	
Fair and 4-H clubs	31,000	
	<u>46,700</u>	91,717

Dickinson County

General Fund

Statement of Expenditures

Year ended June 30, 2002

Social Services Service Area:

Services to the poor:

Administration	37,459	
General welfare services	103,004	
	<u>140,463</u>	

Services to military veterans:

Administration	30,924	
General services to veterans	14,212	
	<u>45,136</u>	

Services to other adults:

Services to the elderly	49,403	
Other social services	39,570	
	<u>88,973</u>	

Chemical dependency:

Treatment services	6,803	
Preventive services	9,592	
	<u>16,395</u>	290,967

County Environment Service Area:

Environmental quality:

Natural resources conservation	9,050	
	<u>9,050</u>	

Conservation and recreation services:

Administration	49,168	
Maintenance and operations	159,355	
Recreation and environmental education	42,762	
	<u>251,285</u>	

Animal control:

Animal shelter	2,003	
Animal bounties and state apiarist expenses	190	
	<u>2,193</u>	

County development:

Land use and building controls	51,311	
Economic development	48,496	
	<u>99,807</u>	362,335

Schedule 2

Dickinson County

General Fund

Statement of Expenditures

Year ended June 30, 2002

State and Local Government Services Service Area:

Representation services:

Elections administration	68,759	
Local elections	14,149	
Township officials	840	
	<u>83,748</u>	

State administrative services:

Motor vehicle registrations and licensing	117,948	
Recording of public documents	139,860	
	<u>257,808</u>	341,556

Interprogram Services Service Area:

Policy and administration:

General County management	235,403	
Administrative management services	186,283	
Treasury management services	114,603	
Other policy and administration	28,910	
	<u>565,199</u>	

Central services:

General services	151,060	
Data processing services	159,644	
	<u>310,704</u>	

Risk management services:

Tort liability	122,533	
Safety of the workplace	26,959	
Fidelity of public officials	2,417	
Unemployment compensation	460	
	<u>152,369</u>	1,028,272

Non-program Service Area:

County farm operations	8,154	
Other county enterprises	13,931	
Other non-program current expenditures	19,649	41,734
		<u>41,734</u>

Total		<u><u>\$ 3,607,644</u></u>
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See accompanying independent auditor's report.

Dickinson County

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

	Rural Services	Secondary Roads	Mental Health	Resource Enhancement and Protection	Revolving Economic Development	Confiscated Property
Assets						
Cash and pooled investments:						
County Treasures	\$ 195,121	1,274,650	973,314	38,940	70,504	738
Conservation Foundation	-	-	-	-	-	-
Receivables:						
Property tax:						
Delinquent	154	-	163	-	-	-
Succeeding year	845,000	-	400,000	-	-	-
Accounts	-	2,617	-	-	-	-
Accrued interest	-	-	-	10	-	-
Drainage assessments:						
Current	-	-	-	-	-	-
Future	-	-	-	-	-	-
Economic development loans	-	-	-	-	21,000	-
Due from other funds	104,000	-	-	-	-	-
Due from other governments	107,777	142,535	-	-	-	-
Total assets	\$ 1,252,052	1,419,802	1,373,477	38,950	91,504	738
Liabilities and Fund Equity						
Liabilities:						
Accounts payable	\$ 4,298	107,982	44,956	-	-	-
Salaries and benefits payable	894	38,743	1,460	-	-	-
Due to other funds	-	-	-	-	-	-
Due to other governments	-	3,086	120,127	-	-	-
Deferred revenue:						
Succeeding year property tax	845,000	-	400,000	-	-	-
Other	58	-	114	-	21,000	-
Compensated absences	-	17,716	-	-	-	-
Total liabilities	850,250	167,527	566,657	-	21,000	-
Fund equity:						
Unreserved fund balances	401,802	1,252,275	806,820	38,950	70,504	738
Total liabilities and Fund equity	\$ 1,252,052	1,419,802	1,373,477	38,950	91,504	738

See accompanying independent auditor's report.

County Recorder's Management	Waste Management Reduction	Watershed Study	Drainage Districts	Moore Lake Fire TIF	East Okoboji Beach Sewer TIF	Conservation Foundation	Highway 71 Beautification	Historic Site Grant	Total
36,182	10,885	5,000	36,638	291	895	-	4,680	21,924	2,669,762
-	-	-	-	-	-	19,618	-	-	19,618
-	-	-	-	-	-	-	-	-	317
-	-	-	-	108,000	113,000	-	-	-	1,466,000
-	-	-	-	-	-	-	-	-	2,617
15	-	-	-	-	-	-	-	-	25
-	-	-	29,953	-	-	-	-	-	29,953
-	-	-	338,250	-	-	-	-	-	338,250
-	-	-	-	-	-	-	-	-	21,000
713	-	-	-	-	-	-	-	-	104,713
-	-	-	-	-	-	-	-	-	250,312
36,910	10,885	5,000	404,841	108,291	113,895	19,618	4,680	21,924	4,902,567
-	-	-	3,577	-	-	-	-	3,273	164,086
-	-	-	-	-	-	-	-	-	41,097
-	-	-	-	291	895	-	-	-	1,186
-	-	-	-	-	-	-	-	-	123,213
-	-	-	-	108,000	113,000	-	-	-	1,466,000
-	-	-	368,204	-	-	-	-	-	389,376
-	-	-	-	-	-	-	-	-	17,716
-	-	-	371,781	108,291	113,895	-	-	3,273	2,202,674
36,910	10,885	5,000	33,060	-	-	19,618	4,680	18,651	2,699,893
36,910	10,885	5,000	404,841	108,291	113,895	19,618	4,680	21,924	4,902,567

Dickinson County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2002

	Rural Services	Secondary Roads	Mental Health	Resource Enhancement and Protection	Revolving Economic Development	Confiscated Property
Revenues:						
Property and other County tax:						
Property tax	\$ 729,128	-	390,008	-	-	-
Local option sales tax	626,195	-	-	-	-	-
Utility tax replacement excise tax	12,909	-	10,650	-	-	-
Tax increment financing revenue	-	-	-	-	-	-
	<u>1,368,232</u>	<u>-</u>	<u>400,658</u>	<u>-</u>	<u>-</u>	<u>-</u>
Intergovernmental:						
State shared revenues:						
Road use tax	-	1,469,442	-	-	-	-
State grants and reimbursements including indirect federal funding:						
Resource enhancement and protection grant	-	-	-	9,941	-	-
Social services block grant	-	-	57,786	-	-	-
Sales and gas tax refunds	-	6,933	-	-	-	-
Case management	-	-	56,445	-	-	-
Historical site grant	-	-	-	-	-	-
	<u>-</u>	<u>6,933</u>	<u>114,231</u>	<u>9,941</u>	<u>-</u>	<u>-</u>
State tax replacements:						
State tax credits	30,566	-	14,666	-	-	-
Mental health property tax relief	-	-	606,364	-	-	-
	<u>30,566</u>	<u>-</u>	<u>621,030</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contributions and reimbursements from other governmental units:						
Project reimbursements	-	46,040	-	-	-	-
Drainage district services	-	9,232	-	-	-	-
Other	-	-	-	-	-	-
	<u>-</u>	<u>55,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>30,566</u>	<u>1,531,647</u>	<u>735,261</u>	<u>9,941</u>	<u>-</u>	<u>-</u>

County Recorder's Management	Waste Management Reduction	Watershed Study	Drainage Districts	Moore Lake Fire TIF	East Okoboji Beach Sewer TIF	Conservation Foundation	Highway 71 Beautification	Historic Site Grant	Total
-	-	-	-	-	3	-	-	-	1,119,139
-	-	-	-	-	-	-	-	-	626,195
-	-	-	-	-	-	-	-	-	23,559
-	-	-	-	41,123	44,029	-	-	-	85,152
-	-	-	-	41,123	44,032	-	-	-	1,854,045
-	-	-	-	-	-	-	-	-	1,469,442
-	-	-	-	-	-	-	-	-	9,941
-	-	-	-	-	-	-	-	-	57,786
-	-	-	-	-	-	-	-	-	6,933
-	-	-	-	-	-	-	-	-	56,445
-	-	-	-	-	-	-	-	34,161	34,161
-	-	-	-	-	-	-	-	34,161	165,266
-	-	-	-	631	2,886	-	-	-	48,749
-	-	-	-	-	-	-	-	-	606,364
-	-	-	-	631	2,886	-	-	-	655,113
-	-	-	-	-	-	-	-	-	46,040
-	-	-	-	-	-	-	-	-	9,232
-	-	-	1,713	-	-	-	-	-	1,713
-	-	-	1,713	-	-	-	-	-	56,985
-	-	-	1,713	631	2,886	-	-	34,161	2,346,806

Dickinson County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2002

	Rural Services	Secondary Roads	Mental Health	Resource Enhancement and Protection	Revolving Economic Development	Confiscated Property
Revenues (continued):						
Licenses and permits	-	943	-	-	-	-
Charges for service:						
Resident care	-	-	13,934	-	-	-
Document management fee	-	-	-	-	-	-
Other	-	20,557	-	-	-	-
	-	20,557	13,934	-	-	-
Use of money and property:						
Interest on investments	-	-	-	1,223	-	-
Interest on loans and contracts	-	-	-	-	720	-
Loan principal repayment	-	-	-	-	18,000	-
Land and building rent	-	13,177	-	-	-	-
	-	13,177	-	1,223	18,720	-
Miscellaneous:						
Contributions and donations from private sources	-	-	-	-	-	-
Drainage assessments	-	-	-	-	-	-
Other	-	23,843	-	-	-	1,714
	-	23,843	-	-	-	1,714
Total revenues	1,398,798	1,590,167	1,149,853	11,164	18,720	1,714
Expenditures:						
Operating:						
Public Safety Service Area:						
Legal services:						
Criminal prosecution	-	-	-	-	-	1,486
Emergency services:						
Ambulance services	21,243	-	-	-	-	-
	21,243	-	-	-	-	1,486
Physical Health and Education Service Area:						
Educational services:						
Libraries	56,000	-	-	-	-	-

County Recorder's Records Management	Waste Management Reduction	Watershed Study	Drainage Districts	Moore Lake Fire TIF	East Okoboji Beach Sewer TIF	Conservation Foundation	Highway 71 Beautification	Historic Site Grant	Total
-	-	-	-	-	-	-	-	-	943
-	-	-	-	-	-	-	-	-	13,934
9,061	-	-	-	-	-	-	-	-	9,061
-	-	-	-	-	-	-	-	-	20,557
9,061	-	-	-	-	-	-	-	-	43,552
1,447	-	-	-	-	-	-	-	-	2,670
-	-	-	-	-	-	-	-	-	720
-	-	-	-	-	-	-	-	-	18,000
-	-	-	-	-	-	-	-	-	13,177
1,447	-	-	-	-	-	-	-	-	34,567
-	-	-	-	-	-	75,787	-	-	75,787
-	-	-	15,970	-	-	-	-	-	15,970
-	-	-	-	-	-	-	-	-	25,557
-	-	-	15,970	-	-	75,787	-	-	117,314
10,508	-	-	17,683	41,754	46,918	75,787	-	34,161	4,397,227
-	-	-	-	-	-	-	-	-	1,486
-	-	-	-	-	-	-	-	-	21,243
-	-	-	-	-	-	-	-	-	22,729
-	-	-	-	-	-	-	-	-	56,000

Dickinson County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2002

	Rural Services	Secondary Roads	Mental Health	Resource Enhancement and Protection	Revolving Economic Development	Confiscated Property
Expenditures (continued):						
Operating:						
Mental Health Service Area:						
Persons with mental health problems - mental illness:						
Information and education services	-	-	146,019	-	-	-
General administration	-	-	30,671	-	-	-
Treatment services	-	-	4,909	-	-	-
Vocational and day services	-	-	49	-	-	-
Licensed or certified living arrangements	-	-	89,663	-	-	-
Institutional, hospital, and commitment services	-	-	50,823	-	-	-
	-	-	322,134	-	-	-
Persons with chronic mental illness:						
Coordination services	-	-	20,467	-	-	-
Personal and environmental support	-	-	247	-	-	-
Vocational and day services	-	-	75,819	-	-	-
Licensed or certified living arrangements	-	-	107,848	-	-	-
	-	-	204,381	-	-	-
Persons with mental retardation:						
Coordination services	-	-	45,308	-	-	-
Personal and environmental support	-	-	198	-	-	-
Vocational and day services	-	-	112,151	-	-	-
Licensed or certified living arrangements	-	-	427,213	-	-	-
Institutional, hospital, and commitment services	-	-	80,855	-	-	-
	-	-	665,725	-	-	-
Persons with other developmental disabilities:						
Coordination services	-	-	317	-	-	-
Vocational and day services	-	-	8,383	-	-	-
Licensed or certified living arrangements	-	-	22,312	-	-	-
	-	-	31,012	-	-	-
	-	-	1,223,252	-	-	-

County Recorder's Records Management	Waste Management Reduction	Watershed Study	Drainage Districts	Moore Lake Fire TIF	East Okoboji Beach Sewer TIF	Conservation Foundation	Highway 71 Beautification	Historic Site Grant	Total
-	-	-	-	-	-	-	-	-	146,019
-	-	-	-	-	-	-	-	-	30,671
-	-	-	-	-	-	-	-	-	4,909
-	-	-	-	-	-	-	-	-	49
-	-	-	-	-	-	-	-	-	89,663
-	-	-	-	-	-	-	-	-	50,823
-	-	-	-	-	-	-	-	-	322,134
-	-	-	-	-	-	-	-	-	20,467
-	-	-	-	-	-	-	-	-	247
-	-	-	-	-	-	-	-	-	75,819
-	-	-	-	-	-	-	-	-	107,848
-	-	-	-	-	-	-	-	-	204,381
-	-	-	-	-	-	-	-	-	45,308
-	-	-	-	-	-	-	-	-	198
-	-	-	-	-	-	-	-	-	112,151
-	-	-	-	-	-	-	-	-	427,213
-	-	-	-	-	-	-	-	-	80,855
-	-	-	-	-	-	-	-	-	665,725
-	-	-	-	-	-	-	-	-	317
-	-	-	-	-	-	-	-	-	8,383
-	-	-	-	-	-	-	-	-	22,312
-	-	-	-	-	-	-	-	-	31,012
-	-	-	-	-	-	-	-	-	1,223,252

Dickinson County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2002

	Rural Services	Secondary Roads	Mental Health	Resource Enhancement and Protection	Revolving Economic Development	Confiscated Property
Expenditures (continued):						
Operating:						
County Environment Service Area:						
Environmental quality:						
Natural resources conservation	-	-	-	16,989	-	-
Weed eradication	13,692	-	-	-	-	-
Solid waste disposal	-	-	-	-	-	-
Environmental restoration	49,200	-	-	-	-	-
	<u>62,892</u>	-	-	<u>16,989</u>	-	-
County development:						
Economic development	-	-	-	-	40,500	-
	<u>62,892</u>	-	-	<u>16,989</u>	<u>40,500</u>	-
Roads and Transportation Service Area:						
Secondary roads administration and engineering:						
Administration	-	132,954	-	-	-	-
Engineering	-	212,987	-	-	-	-
	-	<u>345,941</u>	-	-	-	-
Roadway maintenance:						
Bridges and culverts	-	65,810	-	-	-	-
Roads	-	910,583	-	-	-	-
Snow and ice control	-	108,057	-	-	-	-
Traffic controls	-	100,507	-	-	-	-
Road clearing	-	35,838	-	-	-	-
	-	<u>1,220,795</u>	-	-	-	-
General roadway:						
Equipment	-	39,406	-	-	-	-
Equipment operations	-	442,126	-	-	-	-
Tools, materials, and supplies	-	10,504	-	-	-	-
Real estate and buildings	-	5,459	-	-	-	-
	-	<u>497,495</u>	-	-	-	-
	-	<u>2,064,231</u>	-	-	-	-

County Recorder's Records Management	Waste Management Reduction	Watershed Study	Drainage Districts	Moore Lake Fire TIF	East Okoboji Beach Sewer TIF	Conservation Foundation	Highway 71 Beautification	Historic Site Grant	Total
-	-	-	-	-	-	56,169	-	-	73,158
-	-	-	-	-	-	-	-	-	13,692
-	8,311	-	-	-	-	-	-	-	8,311
-	-	-	-	-	-	-	-	-	49,200
-	8,311	-	-	-	-	56,169	-	-	144,361
-	-	-	-	-	-	-	-	-	40,500
-	8,311	-	-	-	-	56,169	-	-	184,861
-	-	-	-	-	-	-	-	-	132,954
-	-	-	-	-	-	-	-	-	212,987
-	-	-	-	-	-	-	-	-	345,941
-	-	-	-	-	-	-	-	-	65,810
-	-	-	-	-	-	-	-	-	910,583
-	-	-	-	-	-	-	-	-	108,057
-	-	-	-	-	-	-	-	-	100,507
-	-	-	-	-	-	-	-	-	35,838
-	-	-	-	-	-	-	-	-	1,220,795
-	-	-	-	-	-	-	-	-	39,406
-	-	-	-	-	-	-	-	-	442,126
-	-	-	-	-	-	-	-	-	10,504
-	-	-	-	-	-	-	-	-	5,459
-	-	-	-	-	-	-	-	-	497,495
-	-	-	-	-	-	-	-	-	2,064,231

Dickinson County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2002

	Rural Services	Secondary Roads	Mental Health	Resource Enhancement and Protection	Revolving Economic Development	Confiscated Property
Expenditures (continued):						
Operating:						
State and Local Government Services						
Service Area:						
State administrative services:						
Recording of public documents	-	-	-	-	-	-
Interprogram Services Service Area:						
Central services:						
General services	-	-	-	-	-	-
Non-program Service Area:						
Drainage district construction and repair	-	-	-	-	-	-
Debt Service Service Area:						
Drainage district warrants paid	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital Projects Service Area:						
Roadway construction	-	1,555,990	-	-	-	-
Other capital projects	-	-	-	-	-	-
	-	1,555,990	-	-	-	-
Total expenditures	140,135	3,620,221	1,223,252	16,989	40,500	1,486
Excess (deficiency) of revenues over (under) expenditures	1,258,663	(2,030,054)	(73,399)	(5,825)	(21,780)	228
Other financing sources (uses):						
Operating transfers in (out):						
General	-	161,531	-	-	20,000	-
Special Revenue:						
Rural Services	-	1,387,734	-	-	-	-
Secondary Roads	(1,387,734)	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Proceeds from drainage warrants	-	-	-	-	-	-
Total other financing sources (uses)	(1,387,734)	1,549,265	-	-	20,000	-

County Recorder's Records Management	Waste Management Reduction	Watershed Study	Drainage Districts	Moore Lake Fire TIF	East Okoboji Beach Sewer TIF	Conservation Foundation	Highway 71 Beautification	Historic Site Grant	Total
12,125	-	-	-	-	-	-	-	-	12,125
-	-	-	-	-	-	-	-	70,035	70,035
-	-	-	104,081	-	-	-	-	-	104,081
-	-	-	42,654	-	-	-	-	-	42,654
-	-	-	6,863	-	-	-	-	-	6,863
-	-	-	49,517	-	-	-	-	-	49,517
-	-	-	-	-	-	-	-	-	1,555,990
-	-	-	-	-	-	-	338	-	338
-	-	-	-	-	-	-	338	-	1,556,328
12,125	8,311	-	153,598	-	-	56,169	338	70,035	5,343,159
(1,617)	(8,311)	-	(135,915)	41,754	46,918	19,618	(338)	(35,874)	(945,932)
-	(3,200)	-	-	-	-	-	-	54,525	232,856
-	-	-	-	-	-	-	-	-	1,387,734
-	-	-	-	-	-	-	-	-	(1,387,734)
-	-	-	-	(41,754)	(46,918)	-	-	-	(88,672)
-	-	-	106,317	-	-	-	-	-	106,317
-	(3,200)	-	106,317	(41,754)	(46,918)	-	-	54,525	250,501

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

	Rural Services	Secondary Roads	Mental Health	Resource Enhancement and Protection	Revolving Economic Development	Confiscated Property
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(129,071)	(480,789)	(73,399)	(5,825)	(1,780)	228
Fund balances beginning of year	530,873	1,733,064	880,219	44,775	72,284	510
Fund balances end of year	\$ 401,802	1,252,275	806,820	38,950	70,504	738

See accompanying independent auditor's report.

County Recorder's Records Management	Waste Management Reduction	Watershed Study	Drainage Districts	Moore Lake Fire TIF	East Okoboji Beach Sewer TIF	Conservation Foundation	Highway 71 Beautification	Historic Site Grant	Total
(1,617)	(11,511)	-	(29,598)	-	-	19,618	(338)	18,651	(695,431)
38,527	22,396	5,000	62,658	-	-	-	5,018	-	3,395,324
36,910	10,885	5,000	33,060	-	-	19,618	4,680	18,651	2,699,893

Schedule 5

Dickinson County

Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2002

Revenues:		
None		\$ -
Expenditures:		
Debt Service Service Area:		
Remittances to:		
Iowa Great Lakes Sanitary Sewer District for TIF project	\$ 46,918	
Clay Regional Water for TIF project	<u>108,955</u>	<u>155,873</u>
Deficiency of revenues under expenditures		(155,873)
Other financing sources:		
Operating transfers in:		
Special Revenue:		
Moore Lake Fire TIF	41,754	
East Okoboji Beach Sewer TIF	<u>46,918</u>	<u>88,672</u>
Deficiency of revenues and other financing sources under expenditures		(67,201)
Fund balance beginning of year		<u>-</u>
Fund balance end of year		<u><u>\$ (67,201)</u></u>

See accompanying independent auditor's report.

Dickinson County
Trust and Agency Funds
Combining Balance Sheet
June 30, 2002

	Expendable Trust	Agency	Total
Assets			
Cash and pooled investments:			
County Treasurer	\$ 521,868	889,923	1,411,791
Other County officials	-	64,684	64,684
Bequest held by bank	71,961	-	71,961
Receivables:			
Property tax:			
Delinquent	-	11,606	11,606
Succeeding year	-	22,863,000	22,863,000
Accounts	50	32,963	33,013
Accrued interest	19	101	120
Special assessments	-	264,706	264,706
Future drainage assessments	-	2,461,301	2,461,301
Due from other governments	20,611	-	20,611
Total assets	\$ 614,509	26,588,284	27,202,793
Liabilities and Fund Equity			
Liabilities:			
Accounts payable	\$ 12,376	196,194	208,570
Salaries and benefits payable	-	9,474	9,474
Due to other funds	-	91,664	91,664
Due to other governments	-	24,086,238	24,086,238
Trusts payable	-	15,035	15,035
Deferred revenue	17,233	-	17,233
Drainage warrants payable	-	2,177,261	2,177,261
Compensated absences	-	12,418	12,418
Total liabilities	29,609	26,588,284	26,617,893
Fund equity:			
Unreserved fund balance	584,900	-	584,900
Total liabilities and fund equity	\$ 614,509	26,588,284	27,202,793

See accompanying independent auditor's report.

Dickinson County

Dickinson County
Expendable Trust Funds
Combining Balance Sheet
June 30, 2002

Assets	Conservation					Total
	Land Acquisition Trust	Dickinson County Trails	Ray D. Smith Trust	KUOO Telethon Trust	Courthouse Memorial	
Cash and pooled investments:						
County Treasurer	\$ 123,069	390,915	-	7,340	544	521,868
Bequest held by bank	-		71,961	-	-	71,961
Receivables:						
Accounts	-	50	-	-	-	50
Accrued interest	19	-	-	-	-	19
Due from other governments	-	20,611	-	-	-	20,611
Total assets	\$ 123,088	411,576	71,961	7,340	544	614,509
Liabilities and Fund Equity						
Liabilities:						
Accounts payable	\$ 11,424	952	-	-	-	12,376
Deferred revenue	-	17,233	-	-	-	17,233
Total liabilities	11,424	18,185	-	-	-	29,609
Fund equity:						
Unreserved fund balances	111,664	393,391	71,961	7,340	544	584,900
Total liabilities and fund equity	\$ 123,088	411,576	71,961	7,340	544	614,509

See accompanying independent auditor's report.

Dickinson County

Expendable Trust Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2002

	Conservation Land Acquisition Trust	Dickinson County Trails	Ray D. Smith Trust
Revenues:			
Intergovernmental:			
State grants and reimbursements including indirect federal funding:			
Recreational trails program grant	\$ -	66,512	-
Contributions and reimbursements from other governments	34,163	-	-
	<u>34,163</u>	<u>66,512</u>	<u>-</u>
Use of money and property:			
Interest on investments	3,194	14,438	1,631
Miscellaneous:			
Donations	7,500	17,044	-
Total revenues	<u>44,857</u>	<u>97,994</u>	<u>1,631</u>
Expenditures:			
Operating:			
County Environment Service Area:			
Environmental quality program:			
Natural resources conservation	11,425	-	-
Conservation and recreation services:			
Recreation and environmental education	-	9,964	-
	<u>11,425</u>	<u>9,964</u>	<u>-</u>
Capital Projects Service Area:			
Conservation land acquisition and development	44,377	-	-
Total expenditures	<u>55,802</u>	<u>9,964</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(10,945)	88,030	1,631
Fund balances beginning of year	<u>122,609</u>	<u>305,361</u>	<u>70,330</u>
Fund balances end of year	<u>\$ 111,664</u>	<u>393,391</u>	<u>71,961</u>

See accompanying independent auditor's report.

KUUO		
Telethon Trust	Courthouse Memorial	Total
-	-	66,512
-	-	34,163
-	-	100,675
40	6	19,309
-	-	24,544
40	6	144,528
-	-	11,425
-	-	9,964
-	-	21,389
-	-	44,377
-	-	65,766
40	6	78,762
7,300	538	506,138
7,340	544	584,900

Dickinson County
 Agency Funds
 Combining Balance Sheet
 June 30, 2002

	County Offices		
	County Auditor	County Recorder	County Sheriff
Assets			
Cash and pooled investments:			
County Treasurer	\$ -	-	-
Other County officials	20	35,901	28,763
Receivables:			
Property tax:			
Delinquent	-	-	-
Succeeding year	-	-	-
Accounts	-	6,246	-
Accrued interest	-	-	-
Special assessments	-	-	-
Future drainage assessments	-	-	-
	\$ 20	42,147	28,763
Liabilities			
Liabilities:			
Accounts payable	\$ -	-	-
Salaries and benefits payable	-	-	-
Due to other funds	20	18,115	28,733
Due to other governments	-	24,032	30
Trusts payable	-	-	-
Compensated absences	-	-	-
Drainage warrants payable	-	-	-
	\$ 20	42,147	28,763

Agricultural Extension Education	County Assessor	Schools	Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax
1,218	63,829	93,238	6,122	55,254	2,725	1,111	309,641
-	-	-	-	-	-	-	-
51	93	3,805	260	5,992	63	-	-
143,000	378,000	11,270,000	788,000	7,614,000	265,000	-	-
-	77	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	264,706	-
-	-	-	-	-	-	-	-
144,269	441,999	11,367,043	794,382	7,675,246	267,788	265,817	309,641
-	-	-	-	-	-	-	-
-	6,794	-	-	-	-	-	-
-	35,437	-	-	-	-	-	9,359
144,269	387,350	11,367,043	794,382	7,675,246	267,788	265,817	300,282
-	-	-	-	-	-	-	-
-	12,418	-	-	-	-	-	-
-	-	-	-	-	-	-	-
144,269	441,999	11,367,043	794,382	7,675,246	267,788	265,817	309,641

Dickinson County
 Agency Funds
 Combining Balance Sheet
 June 30, 2002

	Iowa Great Lakes Sanitary Sewer District	County Hospital	Rural Water System Drainage	Rural Water Delinquent
Assets				
Cash and pooled investments:				
County Treasurer	16,859	961	1,547	194
Other County officials	-	-	-	-
Receivables:				
Property tax:				
Delinquent	1,299	41	-	-
Succeeding year	2,301,000	100,000	-	-
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Special assessments	-	-	-	-
Future drainage assessments	-	-	-	-
Total assets	2,319,158	101,002	1,547	194
Liabilities				
Liabilities:				
Accounts payable	-	-	-	-
Salaries and benefits payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	2,319,158	101,002	1,547	194
Trusts payable	-	-	-	-
Compensated absences	-	-	-	-
Drainage warrants payable	-	-	-	-
Total liabilities	2,319,158	101,002	1,547	194

See accompanying independent auditor's report.

Brucellosis and Tuberculosis Eradication	Advance Tax	State Tax Credits	Emergency Management Services	E911	E911 Loan	City Drainage Districts	Total
588	15,035	1	51,233	267,960	2,050	357	889,923
-	-	-	-	-	-	-	64,684
2	-	-	-	-	-	-	11,606
4,000	-	-	-	-	-	-	22,863,000
-	-	-	-	26,640	-	-	32,963
-	-	-	-	101	-	-	101
-	-	-	-	-	-	-	264,706
-	-	-	-	-	-	2,461,301	2,461,301
4,590	15,035	1	51,233	294,701	2,050	2,461,658	26,588,284
-	-	-	79	379	-	195,736	196,194
-	-	-	2,680	-	-	-	9,474
-	-	-	-	-	-	-	91,664
4,590	-	1	48,474	294,322	2,050	88,661	24,086,238
-	15,035	-	-	-	-	-	15,035
-	-	-	-	-	-	-	12,418
-	-	-	-	-	-	2,177,261	2,177,261
4,590	15,035	1	51,233	294,701	2,050	2,461,658	26,588,284

Dickinson County

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 2002

	County Offices			Agricultural
	County Auditor	County Recorder	County Sheriff	Extension Education
Assets and Liabilities				
Balance beginning of year	\$ 20	49,185	28,913	127,529
Additions:				
Property and other County tax	-	-	-	143,746
E911 surcharge	-	-	-	-
State tax credits	-	-	-	4,640
State allocation	-	-	-	-
Office fees and collections	-	441,769	76,040	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	-	25	17,132	-
Miscellaneous	-	-	24,303	-
Total additions	-	441,794	117,475	148,386
Deductions:				
Agency Remittances:				
To other funds	-	219,737	104,519	-
To other governments	-	229,070	462	131,646
Trusts paid out	-	25	12,644	-
Total deductions	-	448,832	117,625	131,646
Balance end of year	\$ 20	42,147	28,763	144,269

County Assessor	Schools	Community Colleges	Corporations	Townships	City Special Assessment	Auto License and Use Tax	Iowa Great Lakes Sanitary District
264,914	9,645,615	645,485	6,507,119	265,844	323,000	324,432	2,379,982
378,969	11,290,823	789,233	7,620,212	265,684	-	-	2,309,294
-	-	-	-	-	-	-	-
8,382	353,489	23,327	188,473	9,741	-	-	56,197
37,127	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	4,283,359	-
-	-	-	-	-	40,790	-	16,825
-	-	-	-	-	-	-	-
6,715	-	-	-	-	-	-	-
431,193	11,644,312	812,560	7,808,685	275,425	40,790	4,283,359	2,382,316
-	-	-	-	-	-	118,506	-
254,108	9,922,884	663,663	6,640,558	273,481	97,973	4,179,644	2,443,140
-	-	-	-	-	-	-	-
254,108	9,922,884	663,663	6,640,558	273,481	97,973	4,298,150	2,443,140
441,999	11,367,043	794,382	7,675,246	267,788	265,817	309,641	2,319,158

Dickinson County

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 2002

	County Hospital	Rural Water System Drainage	Rural Water Delinquent	Rural Water Assessments	Brucellosis and Tuberculosis Eradication
Assets and Liabilities					
Balance beginning of year	101,559	1,547	-	668	5,450
Additions:					
Property and other County tax	100,025	-	-	-	3,648
E911 surcharge	-	-	-	-	-
State tax credits	3,662	-	-	-	170
State allocation	-	-	-	-	-
Office fees and collections	-	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-	-
Assessments	-	-	-	-	-
Trusts	-	-	-	-	-
Miscellaneous	-	-	492	-	-
Total additions	103,687	-	492	-	3,818
Deductions:					
Agency Remittances:					
To other funds	-	-	-	-	-
To other governments	104,244	-	298	668	4,678
Trusts paid out	-	-	-	-	-
Total deductions	104,244	-	298	668	4,678
Balance end of year	101,002	1,547	194	-	4,590

See accompanying independent auditor's report.

Advance Tax	Tax Sale Redemption Trust	State Tax Credits	Emergency Management Services	E911	E911 Loan	Iowa Great Lakes Drug Task Force	City Drainage Districts	Total
17,814	-	1	39,962	268,249	2,050	131,917	-	21,131,255
-	-	-	-	-	-	-	-	22,901,634
-	-	-	-	109,202	-	-	-	109,202
-	-	-	-	-	-	-	-	648,081
-	-	-	-	-	-	-	-	37,127
-	-	-	-	-	-	-	-	517,809
-	-	-	-	-	-	-	-	4,283,359
-	-	-	-	-	-	-	2,226,217	2,283,832
-	308,646	-	-	-	-	-	-	325,803
30,307	-	-	80,241	11,880	-	-	-	153,938
30,307	308,646	-	80,241	121,082	-	-	2,226,217	31,260,785
-	-	-	-	-	-	-	-	442,762
-	-	-	68,970	94,630	-	131,917	1,941,820	27,183,854
33,086	308,646	-	-	-	-	-	-	354,401
33,086	308,646	-	68,970	94,630	-	131,917	1,941,820	27,981,017
15,035	-	1	51,233	294,701	2,050	-	284,397	24,411,023

Schedule 11

Dickinson County

Comparison of Taxes and Intergovernmental Revenues

	Years ended June 30,			
	2002	2001	1999	1998
Taxes:				
Property tax	\$ 3,964,224	3,366,007	3,341,350	2,726,371
Local option sales tax	834,927	807,633	964,377	616,472
Hotel/motel tax	56,993	50,675	31,074	37,736
Tax increment financing	85,152	36,023	31,472	26,944
Utility tax replacement excise tax	101,640	86,653	-	-
Other	14,360	16,504	15,993	-
	<u>5,057,296</u>	<u>4,363,495</u>	<u>4,384,266</u>	<u>3,407,523</u>
Intergovernmental:				
State shared revenues:				
Road use tax	1,469,442	1,409,091	1,429,581	1,437,796
Other	27,937	29,167	21,316	14,448
State grants and reimbursements including indirect federal funding:				
Community development block grant	-	-	-	84,721
Social services block grant	57,786	57,920	57,195	55,745
MH/DD community service funds	-	94,566	86,479	86,479
Juvenile justice	12,465	5,550	33,075	110,944
Other	256,294	404,334	423,478	195,892
State tax replacements:				
State tax credits	156,274	145,584	126,810	124,276
State allocation	70,873	72,061	72,269	72,183
Mental health property tax relief	606,364	606,364	606,364	606,364
Other	-	164,423	63,835	65,404
Contributions and reimbursements from other governmental units:				
Project reimbursements	46,040	24,562	128,702	100,401
Other	75,040	61,523	65,624	44,512
Payments in lieu of taxes	-	3,955	6,089	5,077
	<u>2,778,515</u>	<u>3,079,100</u>	<u>3,120,817</u>	<u>3,004,242</u>
Total	<u>\$ 7,835,811</u>	<u>7,442,595</u>	<u>7,505,083</u>	<u>6,411,765</u>

See accompanying independent auditor's report.



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David A. Vaudt, CPA
Auditor of State

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

To the Officials of Dickinson County:

We have audited the general purpose financial statements of Dickinson County, Iowa, as of and for the year ended June 30, 2002, and have issued our report thereon dated December 12, 2002. Our report expressed a qualified opinion on the financial statements due to the omission of the general fixed assets account group and the materials and supplies inventories pertaining primarily to the Special Revenue Funds, which should be included in order to conform with U.S. generally accepted accounting principles. We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2002 are based exclusively on knowledge obtained from procedures performed during our audit of the general purpose financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes. Prior year statutory comments have been resolved except for items (1), (2), (7), (10), (11) and (12).

Internal Control Over Financial Reporting

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

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above are material weaknesses. Prior year reportable conditions have been resolved except for items (A), (B), and (C).

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Dickinson County and other parties to whom Dickinson County may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Dickinson County during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

December 12, 2002

Dickinson County
Schedule of Findings
Year ended June 30, 2002

Findings Related to the General Purpose Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

REPORTABLE CONDITIONS:

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

The County does not have written policies for:

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

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

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

Response - The recommendations have been taken under advisement by the Board of Supervisors. The County will work to develop the recommended policies cited. This will be a joint effort to the County Technology Committee, Board of Supervisors, and other information sources available.

Conclusion - Response accepted.

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

Dickinson County

Schedule of Findings

Year ended June 30, 2002

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

Response – Will remit to County Treasurers office.

Conclusion – Response accepted.

- (C) County Treasurer – The County utilizes computer software to print prenumbered miscellaneous receipts. The computer software does not require an explanation for why a receipt was voided and does not prohibit receipts that have been issued from being changed prior to the daily update. In addition, voided receipts are not reviewed by an independent person.

Recommendation – The Treasurer should consult with the computer software vendor to add controls to require written explanations for why a receipt is voided and to prohibit receipts that have been issued from being changed prior to the daily update without a written explanation. In addition, voided receipts should be reviewed by an independent person for propriety and the review should be

Response – Treasurer has talked with the software vendor. They have indicated that they are trying to come up with a different procedure. We will be more diligent in our effort to not make errors that result in this problem.

Conclusion – Response accepted.

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

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

Response – The County will make an effort to improve upon its current system of documentation of fixed assets for reporting purposes.

Conclusion – Response accepted.

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

Dickinson County

Schedule of Findings

Year ended June 30, 2002

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

Response – This recommendation will be referred to the Board to prepare a written policy for vehicle use.

Conclusion – Response accepted.

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

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

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

Response –

Auditor – We will begin immediately to develop written procedures to prepare a manual with a targeted completion date of January 2004.

Conclusion – Response accepted.

Dickinson County

Schedule of Findings

Year ended June 30, 2002

Other Findings Related to Required Statutory Reporting:

- (1) Official Depositories - A resolution naming official depositories has been adopted by the Board of Supervisors. The maximum deposit amounts stated in the resolution were not exceeded during the year, except for deposits for the Dickinson County Treasurer at First Bank and Trust and the Liberty Bank, which were exceeded in September and October, 2001.

A new resolution believed to be sufficient to cover anticipated balances at all depositories was adopted by the Board of Supervisors on January 16, 2002.

- (2) Certified Budget - Disbursements during the year ended June 30, 2002 exceeded the amount budgeted in the Debt Service Service Area. Although disbursements by department did not exceed the amounts appropriated at June 30, 2002, disbursements in certain departments did exceed the amounts appropriated before amendments to the appropriations were made.

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

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

Response - The recommendations have been taken under advisement by the Board of Supervisors. The Board will make monthly reviews of the budgets in an effort to comply with the cited Code sections.

Conclusion - Response accepted.

- (3) Questionable Expenditures - No expenditures that we believe may not meet the requirements of public purpose as defined in the Attorney General's opinion dated April 25, 1979 were noted.
- (4) Travel Expense - No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- (5) Business Transactions - No business transactions between the County and County officials or employees were noted.
- (6) Bond Coverage - Surety bond coverage of County officials and employees is in accordance with statutory provisions. However, the amount of all bonds should be periodically reviewed to insure that the coverage is adequate for current operations.
- (7) Board Minutes - Except for the following, no transactions were found that we believe should have been approved in the Board minutes, but were not:

Dickinson County

Schedule of Findings

Year ended June 30, 2002

Certain Board minutes were not signed by the County Auditor and Chairperson of the Board of Supervisors.

The Board went into closed session on July 31, 2001 to discuss personnel issues but did not include a request of the person whose performance was being discussed prior to going into closed session.

In addition, board minutes were not always published timely.

Recommendation - The County should ensure that all minutes are signed timely to authenticate action taken by the Board, and Chapter 21.5 of the Code of Iowa should be followed when entering into closed sessions. The Board should insure that minutes are published timely as required by Chapter 349.18 of the Code of Iowa.

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

Conclusion - Response accepted.

- (8) Deposits and Investments - Except as noted above, no instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County's investment policy were noted.
- (9) Resource Enhancement and Protection Certification - The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- (10) County Ordinances - The County Board of Supervisors has not completed a compilation of County ordinances.

Recommendation - This compilation of County ordinances should be prepared and published as required by Chapter 331.302(9) of the Code of Iowa.

Response - The County will have a public hearing on adopting an Ordinance compiling the County ordinances on December 31, 2002.

Conclusion - Response accepted.

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

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

Response - The Board of Supervisors will consult with the County Sheriff concerning the filing of quarterly reports to the Board of Supervisors for approval in accordance with above cited Code section.

Conclusion - Response accepted.

Dickinson County

Schedule of Findings

Year ended June 30, 2002

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

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

Response - This recommendation has been noted and taken under advisement by the Board of Supervisors.

Conclusion - Response acknowledged.

- (13) Deficit Fund Balance - The Debt Service Fund had a deficit fund balance of \$67,201 at June 30, 2002.

Recommendation - The County should investigate alternatives to return this fund to a sound financial position.

Response - Tax increment financing funds are used for this fund. Those taxes have been levied and when collected will eliminate the deficit balance.

Conclusion - Response accepted.

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

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

Dickinson County

Staff

This audit was performed by:

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