



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Auditor of State

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NEWS RELEASE

Contact: Ernest Ruben
515/281-5834

FOR RELEASE

September 28, 2022

Auditor of State Rob Sand today released an audit report on Dickinson County, Iowa.

FINANCIAL HIGHLIGHTS:

The County's revenues totaled \$25,507,271 for the year ended June 30, 2021, a 10.8% decrease from the prior year. Expenses for County operations for the year ended June 30, 2021 totaled \$17,187,661, a 1.6% increase over the prior year. The significant decrease in the revenues is due primarily to less capital contributions received from Iowa Department of Transportation.

AUDIT FINDINGS:

Sand reported nine findings related to the receipt and expenditure of taxpayer funds. They are found on pages 91 through 98 of this report. The findings address a lack of segregation of duties, adjustments needed to properly record receivables, payables, transfers and capital assets in the County's financial statements, appropriations exceeding budgeted amounts prior to amendment and a deficit fund balance in one County fund. Sand provided the County with recommendations to address each of these findings.

Seven of the nine findings discussed above are repeated from the prior year. The County Board of Supervisors and other elected officials have a fiduciary responsibility to provide oversight of the County's operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" a governing body exercises in its fiduciary capacity.

A copy of the audit report is available for review on the Auditor of State's web site at [Audit Reports – Auditor of State](#).

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DICKINSON COUNTY

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

JUNE 30, 2021

Dickinson County



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Des Moines, Iowa 50319-0004
Telephone (515) 281-5834 Facsimile (515) 281-6518

September 15, 2022

Officials of Dickinson County
Spirit Lake, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for Dickinson County for the year ended June 30, 2021. The audit was performed pursuant to Chapter 11.6 of the Code of Iowa and in accordance with U.S. auditing standards and the standards applicable to financial audits contained in Government Auditing Standards.

I appreciate the cooperation and courtesy extended by the officials and employees of Dickinson County throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand", written in a cursive style.

Rob Sand
Auditor of State

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Dickinson County

Officials

(Before January 2021)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Tim Fairchild	Board of Supervisors	Jan 2021
Pam Jordan	Board of Supervisors	Jan 2021
Steve Clark	Board of Supervisors	Jan 2023
William Leupold	Board of Supervisors	Jan 2023
Kim Wermersen	Board of Supervisors	Jan 2023
Lori Pedersen	County Auditor	Jan 2021
Kris Rowley	County Treasurer	Jan 2023
Ann Ditsworth	County Recorder	Jan 2023
Gregory Baloun	County Sheriff	Jan 2021
Jon M. Martin	County Attorney	(Retired Dec 2019)
Amy Zenor (Appointed)	County Attorney	Nov 2020
Stephanie Sohn	County Assessor	Jan 2022

(After January 2021)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Steve Clark	Board of Supervisors	Jan 2023
William Leupold	Board of Supervisors	Jan 2023
Kim Wermersen	Board of Supervisors	Jan 2023
Tim Fairchild	Board of Supervisors	Jan 2025
Jeff Thee	Board of Supervisors	Jan 2025
Lori Pedersen	County Auditor	Jan 2025
Kris Rowley	County Treasurer	Jan 2023
Ann Ditsworth	County Recorder	Jan 2023
Gregory Baloun	County Sheriff	Jan 2025
Amy Zenor	County Attorney	Jan 2025
Stephanie Sohn	County Assessor	Jan 2022



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Independent Auditor's Report

To the Officials of Dickinson County:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of Dickinson County, Iowa, as of and for the year ended June 30, 2021, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of Dickinson County as of June 30, 2021, and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of a Matter

As discussed in Note 23 to the financial statements, Dickinson County adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 8 through 15 and 62 through 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

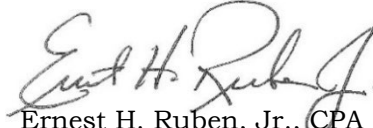
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dickinson County's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2020 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 6, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 15, 2022 on our consideration of Dickinson County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Dickinson County's internal control over financial reporting and compliance.


Ernest H. Ruben, Jr., CPA
Deputy Auditor of State

September 15, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Dickinson County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2021. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2021 FINANCIAL HIGHLIGHTS

- The County implemented Governmental Accounting Standards Board Statement (GASBS) No. 84, Fiduciary Activities during fiscal year 2021. The beginning net position for fiduciary (custodial) funds was restated by \$1,358,664 to retroactively report in accordance with the GASBS.
- Revenues of the County's governmental activities decreased 10.8%, or approximately \$3,101,000, from fiscal year 2020 to fiscal year 2021. Capital grants, contributions and restricted interest decreased approximately \$5,632,000 due primarily to the County only receiving \$157,349 in donated infrastructure from the Iowa Department of Transportation compared to \$4,672,000 in the previous year.
- Program expenses of the County's governmental activities increased 1.6%, or approximately \$272,000, over fiscal year 2020. Mental Health expenses increased 100.4% or approximately \$263,000, due primarily to the County leaving Northwest Iowa Care Connections Mental Health Region and joining Sioux Rivers Regional Mental Health and Disability Services.
- The County's governmental activities net position at June 30, 2021 increased 11.7%, or approximately \$8,320,000 over the June 30, 2020 balance.

USING THIS ANNUAL REPORT

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

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

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

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

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

Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year, the County's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes.

Supplementary Information provides detailed information about the nonmajor governmental and the individual Custodial Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the County.

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

The County has three kinds of funds:

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

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

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

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

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

The required financial statements for fiduciary funds include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. The analysis that follows focuses on the changes in the net position of governmental activities.

Net Position of Governmental Activities (Expressed in Thousands)		
	June 30,	
	2021	2020
Current and other assets	\$ 42,869	39,490
Capital assets	69,294	64,640
Total assets	112,163	104,130
Deferred outflows of resources	1,195	1,135
Long-term liabilities	19,005	20,227
Other liabilities	2,849	1,626
Total liabilities	21,854	21,853
Deferred inflows of resources	12,122	12,350
Net position:		
Net investment in capital assets	65,380	59,525
Restricted	10,185	8,448
Unrestricted	3,817	3,089
Total net position	\$ 79,382	71,062

The net position of Dickinson County’s governmental activities increased approximately 11.7% (approximately \$79.4 million compared to approximately \$71.1 million).

A large portion of the County’s net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased approximately \$5,855,000, or 9.8%, over the prior year, primarily the result of construction on multiple trail projects.

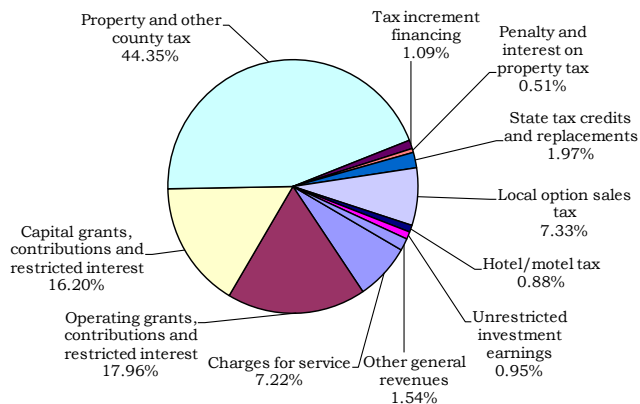
Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how it can be used. Restricted net position increased approximately \$1,737,000, or 20.6%.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased approximately \$728,000, or 23.6%, over the previous year.

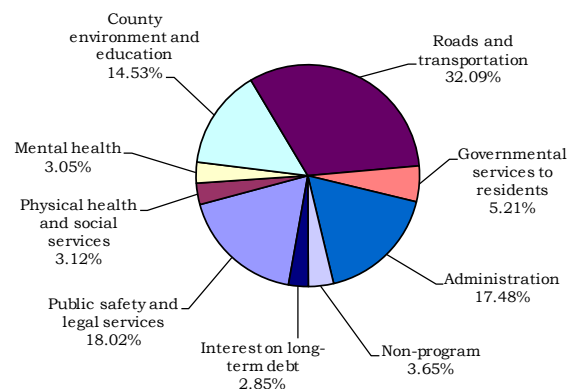
Changes in Net Position of Governmental Activities
(Expressed in Thousands)

	Year ended June 30,	
	2021	2020
Revenues:		
Program revenues:		
Charges for service	\$ 1,841	1,750
Operating grants, contributions and restricted interest	4,580	4,432
Capital grants, contributions and restricted interest	4,133	9,765
General revenues:		
Property and other county tax	11,316	9,920
Tax increment financing	278	266
Penalty and interest on property tax	129	40
State tax credits and replacements	502	477
Local option sales tax	1,869	1,425
Hotel/motel tax	224	158
Unrestricted investment earnings	242	353
Other general revenues	394	22
Total revenues	25,508	28,608
Program expenses:		
Public safety and legal services	3,098	2,993
Physical health and social services	537	541
Mental health	525	262
County environment and education	2,497	2,857
Roads and transportation	5,512	5,489
Governmental services to residents	896	884
Administration	3,005	2,666
Non-program	628	841
Interest on long-term debt	490	383
Total expenses	17,188	16,916
Change in net position	8,320	11,691
Net position beginning of year	71,062	59,371
Net position end of year	\$ 79,382	71,062

Revenues by Source



Expenses by Function



The County's taxable valuation increased approximately 5.1% and the levy rate increased approximately 14%, resulting in an increase in the County's property tax revenue of approximately \$1,396,000 for fiscal year 2021. Based on an increase of approximately 4.9% in the taxable valuation and a decrease in levy rates for fiscal year 2022, property tax is also expected to increase slightly next year.

INDIVIDUAL MAJOR FUND ANALYSIS

As Dickinson County completed the year, its governmental funds reported a combined fund balance of approximately \$25 million, an increase of approximately \$1,936,000 from last year's total of approximately \$23.1 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues increased approximately \$1,060,000 and expenditures increased approximately \$778,000. The ending fund balance increased approximately \$549,000 over the prior year to approximately \$7.2 million. The increase in revenue was due primarily to an increase in property and other county tax as a result of an increase in taxable valuations.
- Revenues in the Special Revenue, Mental Health Fund increased approximately \$263,000 over the prior year. Expenditures for the year totaled approximately \$522,000, an increase of approximately \$266,000 over the prior year. The County left the Northwest Iowa Care Connections Region and joined the Sioux Rivers Regional Mental Health and Disability Services resulting in the increase in revenues and expenditures. The Special Revenue, Mental Health Fund balance at year end increased approximately \$13,000 over the prior year.
- Special Revenue, Rural Services Fund revenues increased approximately \$1,175,000. This was primarily due to an increase in property tax revenue of approximately \$817,000. Expenditures increased approximately \$113,000 and transfers out increased approximately \$816,000. These changes resulted in the ending fund balance increasing approximately \$200,000 to approximately \$1,517,000 at June 30, 2021.
- Special Revenue, Secondary Roads Fund expenditures decreased approximately \$2,583,000, or 31.2%, due to less roadway construction projects during the year. Secondary Roads Fund revenues decreased approximately \$141,000, primarily due to a decrease DOT state traffic safety improvement program funding. Transfers in increased 1,085,000. The Secondary Roads Fund ending balance increased approximately \$1,950,000, or 60.9%.
- The Special Revenue, Drainage Districts Fund ended the year with a deficit fund balance of approximately \$728,000 compared to a deficit fund balance of approximately \$715,000 at the end of the prior year. Drainage District revenues decreased approximately \$67,000. Expenditures decreased approximately \$187,000, due primarily to less drainage projects in fiscal year 2021 compared to the prior year. Stamped drainage warrants issued decreased approximately \$102,000.
- The Special Revenue, Dickinson County Trails Fund reported a decrease in revenues of approximately \$409,000 due to decreased grants from private sources for the construction of trails. Expenditures increased approximately \$756,000. The fund balance decreased approximately \$132,000 or 7.5%
- The Special Revenue, TIF and Urban Renewal Fund reported an increase in revenues of approximately \$18,000 due to increased TIF revenues. TIF and Urban Renewal Fund expenditures decreased approximately \$5,000. The balance in the fund at June 30, 2021 was approximately \$214,000.
- Revenues of the Debt Service Fund decreased approximately \$239,000. Expenditures increased approximately \$204,000. Debt service payments were approximately \$2.4 million in fiscal year 2021. The ending fund balance in the Debt Service Fund decreased approximately \$1,180,000. The fund balance is large because debt for the Lakes Regional Hospital of \$8,870,000 is not recorded as a fund liability under the modified accrual basis of accounting; however, a receivable from the hospital is recorded.

BUDGETARY HIGHLIGHTS

Over the course of the year, Dickinson County amended its budget one time. The amendment was made on May 18, 2021 to increase the budget in the public safety and legal services, physical health and social services and administration functions for increased long-term juveniles in shelter and detention care, autopsy and state medical examiner fees and transport costs, a new roof for a portion of the courthouse, and installing a new phone system, air filtration system and boardroom upgrades to promote social distancing and a safer environment. This resulted in an increase in budgeted disbursements of \$386,000.

The County's receipts were \$3,534,337 more than budgeted, a variance of 16.3%. The County received more than budgeted in donations from private sources for trails projects.

Total disbursements were \$4,727,094 less than the amended budget. Actual disbursements for the county environment and education and capital projects functions were approximately \$1,265,174 and \$1,869,979 respectively, less than the budgeted amount because various projects, including federal projects, were expected to begin in the current year, but actual start dates were in the next fiscal year.

The County did not exceed the budgeted amounts in any disbursement functions for the year ended June 30, 2021. However, disbursements in certain departments exceeded the amount appropriated prior to amendment.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, Dickinson County had approximately \$69.3 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges and intangible assets. This is a net increase (including additions and deletions) of approximately \$4,654,000, or 7.2%, over last year.

Capital Assets of Governmental Activities at Year End (Expressed in Thousands)		
	June 30,	
	2021	2020
Land	\$ 7,692	7,612
Buildings and improvements	18,316	17,349
Intangibles, road network	530	530
Equipment and vehicles	6,063	6,230
Construction in progress	7,480	11,916
Infrastructure	29,213	21,003
Total	<u>\$ 69,294</u>	<u>64,640</u>

The County had depreciation expense of approximately \$2,763,000 in fiscal year 2021 and total accumulated depreciation of approximately \$22.5 million at June 30, 2021.

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

Long-Term Debt

Dickinson County had approximately \$14.7 million of outstanding debt at June 30, 2021, which included approximately \$12.5 million of general obligation bonds and notes, approximately \$379,000 of general obligation capital loan notes, approximately \$275,000 of urban revitalization bonds and approximately \$1.6 million of drainage warrants compared to total outstanding debt of approximately \$16.7 million at June 30, 2020.

Outstanding Debt of Governmental Activities at Year-End (Expressed in Thousands)		
	June 30,	
	2021	2020
General obligation bonds and notes	\$ 12,405	14,765
General obligation capital loan notes	379	420
Urban revitalization bonds	275	331
Drainage warrants	1,613	1,229
Total	\$ 14,672	16,745

Debt decreased approximately \$2,073,000, primarily as a result of the repayment of the County's general obligation bonds and refunding of the 2012 Hospital Urban Renewal Bond.

The County continues to carry a general obligation bond rating of Aa2 (Moody's) assigned by national rating agencies to the County's debt since 1998. The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. Dickinson County's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$262,521,000. Additional information about the County's long-term debt is presented in Note 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Dickinson County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2022 budget, tax rates and fees charged for various County activities. One of those factors is the economy. Unemployment in the County now stands at 3.8% versus 7.2% a year ago. This compares with the State's unemployment rate of 4.7% and the national rate of 5.9%.

The County's total cash basis fund balance is expected to decrease by the close of fiscal year 2022 from the fiscal year 2021 actual balance of approximately \$17.9 million to approximately \$15.7 million.

The budget was influenced by the following factors: 1) the budget reflects an increase in employee pay as well as ongoing increases in health insurance, fuel costs, utilities and workers compensation insurance, 2) it reflects ongoing expenses continuing to increase and replace the one-time expenses in each budget year, 3) it reflects the efforts of departments to reduce department budgets, where possible, in order to keep the tax asking as low as possible, 4) it reflects a serious concern for the economic effects on fiscal year 2021 and thereafter, and 5) it reflects an increase in expenditures for capital projects.

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

These factors were considerations for the fiscal year 2022 budget, which certified property tax as follows: (Amount certified includes utility replacement and property tax dollars.)

	2022 Dollars Certified	2021 Dollars Certified	Percentage Change
General basic levy	\$ 7,485,166	7,138,803	4.9%
Mental health levy	364,834	522,995	-30.2%
Rural services levy	3,002,947	2,900,242	3.5%
Debt service levy	1,125,838	1,046,442	7.6%
Total	<u>\$ 11,978,785</u>	<u>11,608,482</u>	<u>3.2%</u>

Levy rates (expressed per \$1,000 of taxable valuation) to produce the above dollars for fiscal year 2022 and fiscal year 2021 are as follows:

	2022	2021	Percentage Change
General basic levy	2.45315	2.45135	0.1%
Mental health levy	0.11948	0.17959	-33.5%
Rural services levy	2.44000	2.44000	0.0%
Debt service levy	0.34396	0.33192	3.6%
Total	<u>\$ 5.35659</u>	<u>5.40286</u>	<u>-0.9%</u>

Budgeted receipts in the fiscal year 2022 operating budget are approximately \$1,249,000 more than the fiscal year 2021 actual receipts of approximately \$25.3 million. Budgeted disbursements in the fiscal year 2022 operating budget are approximately \$26.2 million, which is approximately \$5.1 million more than the fiscal year 2021 actual final disbursements of approximately \$21.1 million. Total taxable valuations increased approximately \$141 million, from approximately \$2.9 billion to approximately \$3.1 billion.

CONTACTING THE COUNTY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Dickinson County’s finances and to show the County’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Dickinson County Auditor’s Office, 1802 Hill Avenue, Spirit Lake, Iowa 51360 or visit the County’s website at <https://dickinsoncountyiowa.gov/> .

Dickinson County

Basic Financial Statements

Exhibit A

Dickinson County
Statement of Net Position
June 30, 2021

	Primary Government	Component Unit
	Governmental Activities	Conservation Foundation
Assets		
Cash, cash equivalents and pooled investments	\$ 18,074,128	682,009
Receivables:		
Property tax:		
Delinquent	3,673	-
Succeeding year	11,641,000	-
Succeeding year tax increment financing	265,000	-
Interest and penalty on property tax	4,981	-
Accounts	140,469	-
Loan to Lakes Regional Hospital	8,870,000	-
Accrued interest	14,804	-
Drainage assessments	2,340,603	-
Due from other governments	715,052	-
Inventories	779,302	-
Prepaid expenses	20,596	-
Capital assets, not being depreciated	15,701,603	-
Capital assets, net of accumulated depreciation/amortization	53,592,161	-
Total assets	112,163,372	682,009
Deferred Outflows of Resources		
Pension related deferred outflows	1,194,950	-
Liabilities		
Accounts payable	693,837	-
Accrued interest payable	212,115	-
Salaries and benefits payable	184,840	-
Advances from grantors	10,000	-
Due to other governments	71,869	-
Unearned revenues	1,676,082	-
Long-term liabilities:		
Portion due or payable within one year:		
General obligation bonds/notes	1,985,000	-
General obligation capital loan notes	43,000	-
Urban revitalization bonds	57,919	-
Drainage warrants	398,307	-
Compensated absences	255,141	-
Total OPEB liability	4,572	-
Portion due or payable after one year:		
General obligation bonds/notes	10,420,000	-
General obligation capital loan notes	336,000	-
Urban revitalization bonds	216,950	-
Drainage warrants	1,214,476	-
Compensated absences	138,427	-
Total OPEB liability	219,863	-
Net pension liability	3,715,824	-
Total liabilities	21,854,222	-
Deferred Inflows of Resources:		
Unavailable property tax revenue	11,641,000	-
Unavailable tax increment financing revenue	265,000	-
Pension related deferred inflows	216,209	-
Total deferred inflows of resources	12,122,209	-
Net Position		
Net investment in capital assets	65,379,764	-
Restricted for:		
Mental health purposes	147,364	-
Rural services purposes	1,517,972	-
Secondary roads purposes	5,024,977	-
Trail purposes	1,626,360	-
Conservation purposes	292,350	682,009
Debt service	353,657	-
Other purposes	1,222,491	-
Unrestricted	3,816,956	-
Total net position	\$ 79,381,891	682,009

See notes to financial statements.

Dickinson County
Statement of Activities
Year ended June 30, 2021

	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Primary Governmental Activities	Component Unit Conservation Foundation	
Functions/Programs:						
Primary Government:						
Governmental activities:						
Public safety and legal services	\$ 3,097,500	289,044	25,000	-	(2,783,456)	
Physical health and social services	537,136	4,800	232,941	-	(299,395)	
Mental health	525,111	-	-	-	(525,111)	
County environment and education	2,497,075	548,610	606,230	3,861,981	2,519,746	
Roads and transportation	5,512,350	212,166	3,287,687	207,646	(1,804,851)	
Governmental services to residents	895,382	696,394	-	-	(198,988)	
Administration	3,004,504	68,761	377,492	62,943	(2,495,308)	
Non-program	628,317	21,193	51,030	-	(556,094)	
Interest on long-term debt	490,286	-	-	-	(490,286)	
Total primary government	<u>\$ 17,187,661</u>	<u>1,840,968</u>	<u>4,580,380</u>	<u>4,132,570</u>	<u>(6,633,743)</u>	
Component Unit:						
Dickinson County Conservation Foundation	<u>\$ 159,579</u>	<u>-</u>	<u>138,524</u>	<u>149,690</u>		<u>128,635</u>
General Revenues:						
Property and other county tax levied for:						
General purposes				10,300,080	-	
Debt service				1,015,696	-	
Tax increment financing				277,426	-	
Penalty and interest on property tax				129,333	-	
State tax credits and replacements				501,799	-	
Local option sales tax				1,868,521	-	
Hotel/motel tax				224,436	-	
Unrestricted investment earnings				242,084	89,266	
Gain on disposition of capital assets				44,078	-	
Miscellaneous				349,900	-	
Total general revenues				<u>14,953,353</u>	<u>89,266</u>	
Change in net position				8,319,610	217,901	
Net position beginning of year				71,062,281	464,108	
Net position end of year				<u>\$ 79,381,891</u>	<u>682,009</u>	

See notes to financial statements.

Dickinson County
Balance Sheet
Governmental Funds

June 30, 2021

	Special		
	General	Mental Health	Rural Services
Assets			
Cash, cash equivalents and pooled investments	\$ 8,133,518	172,755	1,426,118
Receivables:			
Property tax:			
Delinquent	1,855	136	1,428
Succeeding year	7,269,000	354,000	2,928,000
Succeeding year tax increment financing	-	-	-
Interest and penalty on property tax	4,981	-	-
Accounts	60,469	-	-
Loan to Lakes Regional Hospital	-	-	-
Accrued interest	14,804	-	-
Drainage assessments	-	-	-
Advances to other funds	18,000	-	-
Due from other funds	719,166	-	-
Due from other governments	188,384	-	100,534
Inventories	-	-	-
Prepaid expenditures	20,596	-	-
Total assets	\$ 16,430,773	526,891	4,456,080
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 63,758	662	4,780
Salaries and benefits payable	128,903	3,650	5,328
Advances from grantors	10,000	-	-
Due to other funds	-	-	-
Due to other governments	70,673	33	-
Advances from other funds	-	-	-
Unearned revenues	1,676,082	-	-
Total liabilities	1,949,416	4,345	10,108
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	7,269,000	354,000	2,928,000
Succeeding year tax increment financing	-	-	-
Other	39,989	136	1,428
Total deferred inflows of resources	7,308,989	354,136	2,929,428
Fund balances:			
Nonspendable:			
Inventories	-	-	-
Advances to other funds	18,000	-	-
Prepaid expenditures	20,596	-	-
Restricted for:			
Mental health purposes	-	168,410	-
Rural services purposes	-	-	1,516,544
Secondary roads purposes	-	-	-
Conservation purposes	292,350	-	-
Trails purposes	-	-	-
Debt service	-	-	-
Other purposes	-	-	-
Assigned for:			
Buildings and grounds	969,428	-	-
Revolving loans	120,886	-	-
Unassigned	5,751,108	-	-
Total fund balances	7,172,368	168,410	1,516,544
Total liabilities, deferred inflows of resources and fund balances	\$ 16,430,773	526,891	4,456,080

See notes to financial statements.

Revenue							
Secondary Roads	Drainage Districts	Dickinson County Trails	TIF and Urban Renewal	Debt Service	Nonmajor	Total	
4,348,910	-	1,757,645	225,353	162,399	966,383	17,193,081	
-	-	-	-	254	-	3,673	
-	-	-	-	1,090,000	-	11,641,000	
-	-	-	265,000	-	-	265,000	
-	-	-	-	-	-	4,981	
2,182	-	-	-	-	77,818	140,469	
-	-	-	-	8,870,000	-	8,870,000	
-	-	-	-	-	-	14,804	
-	2,340,603	-	-	-	-	2,340,603	
-	-	-	-	-	-	18,000	
-	-	-	-	-	-	719,166	
350,984	-	41,082	6,488	-	27,580	715,052	
779,302	-	-	-	-	-	779,302	
-	-	-	-	-	-	20,596	
5,481,378	2,340,603	1,798,727	496,841	10,122,653	1,071,781	42,725,727	
283,691	8,653	131,285	-	-	154,008	646,837	
46,959	-	-	-	-	-	184,840	
-	-	-	-	-	-	10,000	
-	719,166	-	-	-	-	719,166	
1,126	-	-	-	-	37	71,869	
-	-	-	18,000	-	-	18,000	
-	-	-	-	-	-	1,676,082	
331,776	727,819	131,285	18,000	-	154,045	3,326,794	
-	-	-	-	1,090,000	-	11,641,000	
-	-	-	265,000	-	-	265,000	
-	2,340,603	41,082	-	254	27,580	2,451,072	
-	2,340,603	41,082	265,000	1,090,254	27,580	14,357,072	
779,302	-	-	-	-	-	779,302	
-	-	-	-	-	-	18,000	
-	-	-	-	-	-	20,596	
-	-	-	-	-	-	168,410	
-	-	-	-	-	-	1,516,544	
4,370,300	-	-	-	-	-	4,370,300	
-	-	-	-	-	-	292,350	
-	-	1,626,360	-	-	-	1,626,360	
-	-	-	213,841	9,032,399	-	9,246,240	
-	-	-	-	-	890,156	890,156	
-	-	-	-	-	-	969,428	
-	-	-	-	-	-	120,886	
-	(727,819)	-	-	-	-	5,023,289	
5,149,602	(727,819)	1,626,360	213,841	9,032,399	890,156	25,041,861	
5,481,378	2,340,603	1,798,727	496,841	10,122,653	1,071,781	42,725,727	

Dickinson County

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

June 30, 2021

Total governmental fund balances (page 21) \$ 25,041,861

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$91,829,112 and the accumulated depreciation is \$22,535,348. 69,293,764

Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds. 2,451,072

The Internal Service Fund is used by management to charge the costs of partial self-funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position. 834,047

Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:

Deferred outflows of resources	\$ 1,194,950	
Deferred inflows of resources	<u>(216,209)</u>	978,741

Long-term liabilities, including general obligation bonds/notes, general obligation capital loan notes, urban revitalization bonds, drainage warrants, compensated absences, net pension liability, total OPEB liability and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (19,217,594)

Net position of governmental activities (page 18) \$ 79,381,891

See notes to financial statements.

Dickinson County

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

Year ended June 30, 2021

	Special		
	General	Mental Health	Rural Services
Revenues:			
Property and other county tax	\$ 7,216,205	512,170	2,842,661
Tax increment financing	-	-	-
Local option sales tax	467,130	-	1,401,391
Interest and penalty on property tax	132,890	-	-
Intergovernmental	1,363,614	23,504	111,644
Licenses and permits	38,383	-	-
Charges for service	931,311	-	-
Use of money and property	213,095	-	-
Miscellaneous	248,805	-	-
Total revenues	10,611,433	535,674	4,355,696
Expenditures:			
Operating:			
Public safety and legal services	3,015,157	-	75,084
Physical health and social services	537,608	-	-
Mental health	-	522,397	-
County environment and education	1,758,175	-	510,130
Roads and transportation	-	-	-
Governmental services to residents	872,261	-	-
Administration	2,627,208	-	-
Non-program	143,907	-	-
Debt service	-	-	-
Capital projects	134,786	-	-
Total expenditures	9,089,102	522,397	585,214
Excess (deficiency) of revenues over (under) expenditures	1,522,331	13,277	3,770,482
Other financing sources (uses):			
Sale of capital assets	5,000	-	-
Transfers in	200,000	-	-
Transfers out	(1,178,440)	-	(3,570,328)
General obligation refunding notes issued	-	-	-
Premium on general obligation refunding bond issued	-	-	-
Refunded bond principal payment	-	-	-
Drainage warrants issued	-	-	-
Total other financing sources (uses)	(973,440)	-	(3,570,328)
Change in fund balances	548,891	13,277	200,154
Fund balances beginning of year	6,623,477	155,133	1,316,390
Fund balances end of year	\$ 7,172,368	168,410	1,516,544

See notes to financial statements.

Revenue							
Secondary Roads	Drainage Districts	Dickinson County Trails	TIF and Urban Renewal	Debt Service	Nonmajor	Total	
-	-	-	-	1,021,933	-	11,592,969	
-	-	-	282,005	-	-	282,005	
-	-	-	-	-	-	1,868,521	
-	-	-	-	-	-	132,890	
3,427,697	-	594,615	14,395	48,558	507,576	6,091,603	
35,278	-	-	-	-	-	73,661	
50	-	-	-	-	148,974	1,080,335	
34,358	-	20,206	3,163	-	1,588	272,410	
85,850	149,490	1,654,112	-	-	329,804	2,468,061	
3,583,233	149,490	2,268,933	299,563	1,070,491	987,942	23,862,455	
-	-	-	-	-	16	3,090,257	
-	-	-	-	-	-	537,608	
-	-	-	-	-	-	522,397	
-	-	2,451,302	-	-	887,321	5,606,928	
5,480,931	-	-	-	-	-	5,480,931	
-	-	-	-	-	-	872,261	
-	-	-	-	-	-	2,627,208	
-	545,167	-	-	-	-	689,074	
-	9,567	-	65,785	2,448,311	-	2,523,663	
214,498	-	-	-	-	-	349,284	
5,695,429	554,734	2,451,302	65,785	2,448,311	887,337	22,299,611	
(2,112,196)	(405,244)	(182,369)	233,778	(1,377,820)	100,605	1,562,844	
-	-	-	-	-	-	5,000	
4,061,760	-	350,000	-	222,425	937,008	5,771,193	
-	-	(300,000)	(222,425)	-	(500,000)	(5,771,193)	
-	-	-	-	9,650,000	-	9,650,000	
-	-	-	-	325,768	-	325,768	
-	-	-	-	(10,000,000)	-	(10,000,000)	
-	392,272	-	-	-	-	392,272	
4,061,760	392,272	50,000	(222,425)	198,193	437,008	373,040	
1,949,564	(12,972)	(132,369)	11,353	(1,179,627)	537,613	1,935,884	
3,200,038	(714,847)	1,758,729	202,488	10,212,026	352,543	23,105,977	
5,149,602	(727,819)	1,626,360	213,841	9,032,399	890,156	25,041,861	

Dickinson County

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

Year ended June 30, 2021

Change in fund balances - Total governmental funds (page 25) \$ 1,935,884

Amounts reported for governmental activities in the Statement of Activities are different because:

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

Expenditures for capital assets	\$ 5,954,475	
Capital assets contributed by the Iowa Department of Transportation	157,349	
Capital assets contributed by the Dickinson County Conservation Foundation	1,251,309	
Capital assets contributed by private sources	14,500	
Depreciation/amortization expense	<u>(2,762,534)</u>	4,615,099

In the Statement of Activities, the gain on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources. 39,078

Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are recognized as deferred inflows of resources in the governmental funds, as follows:

Property tax	(57,336)	
Other	<u>(100,823)</u>	(158,159)

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year repayments exceeded issuances, as follows:

Issued	(10,042,272)	
Repaid	<u>12,115,715</u>	2,073,443

The current year County share of IPERS contributions is reported as expenditures in the governmental funds but is reported as deferred outflows of resources in the Statement of Net Position. 524,738

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Compensated absences	(11,390)	
Interest on long-term debt	(82,338)	
Pension expense	(719,834)	
OPEB expense	<u>(20,809)</u>	(834,371)

The Internal Service Fund is used by management to charge the costs of partial self-funding of the County's employee health insurance benefit plan to individual funds. The change in net position of the Internal Service Fund is reported with governmental activities. 123,898

Change in net position of governmental activities (page 19) \$ 8,319,610

See notes to financial statements.

Dickinson County
Statement of Net Position
Proprietary Fund
June 30, 2021

	<u>Internal Service - Employee Group Health</u>
Assets	
Cash and cash equivalents	\$ 881,047
Liabilities	
Accounts payable	<u>47,000</u>
Net Position	
Unrestricted	<u>\$ 834,047</u>

See notes to financial statements.

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

Year ended June 30, 2021

	<u>Internal Service - Employee Group Health</u>
Operating revenues:	
Reimbursements from operating funds	\$ 320,024
Reimbursements from others	<u>1,752</u>
Total operating revenues	321,776
Operating expenses:	
Medical claims	\$ 201,833
Administrative fees	<u>5,008</u>
Total operating expenses	<u>206,841</u>
Operating loss	114,935
Non-operating revenues:	
Interest income	<u>8,963</u>
Net income	123,898
Net position beginning of year	<u>710,149</u>
Net position end of year	<u>\$ 834,047</u>

See notes to financial statements.

Dickinson County
Statement of Cash Flows
Proprietary Fund
Year ended June 30, 2021

	Internal Service - Employee Group Health
Cash flows from operating activities:	
Cash received from operating fund reimbursements	\$ 320,024
Cash received from others	1,752
Cash paid to suppliers for services	(212,841)
Net cash provided by operating activities	108,935
Cash flows from investing activities:	
Interest on investments	8,963
Net increase in cash and cash equivalents	117,898
Cash and cash equivalents beginning of year	763,149
Cash and cash equivalents end of year	\$ 881,047
Reconciliation of operating income to net cash provided by operating activities:	
Operating loss	\$ 114,935
Adjustment to reconcile operating loss to net cash provided by operating activities:	
Changes in liabilities:	
Accounts payable	(6,000)
Net cash provided by operating activities	\$ 108,935

See notes to financial statements.

Dickinson County
Statement of Fiduciary Net Position
Custodial Funds

June 30, 2021

Assets

Cash, cash equivalents and pooled investments:

County Treasurer	\$ 1,943,448
Other County officials	221,795

Receivables:

Property tax:

Delinquent	18,494
Succeeding year	53,633,000

Accounts	8,565
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Special assessments	92,420
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Drainage assessments	85,790
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Due from other governments	<u>58,770</u>
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Total assets	<u>56,062,282</u>
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Liabilities

Accounts payable	1,343
------------------	-------

Salaries and benefits payable	9,604
-------------------------------	-------

Due to other governments	1,326,745
--------------------------	-----------

Trusts payable	75,275
----------------	--------

Compensated absences	<u>39,420</u>
----------------------	---------------

Total liabilities	<u>1,452,387</u>
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Deferred Inflows of Resources

Unavailable property tax revenue	<u>53,633,000</u>
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Net position

Restricted for individuals, organizations and other governments	<u>\$ 976,895</u>
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See notes to financial statements.

Dickinson County
Statement of Changes in Fiduciary Net Position
Custodial Funds

June 30, 2021

Additions:	
Property and other county tax	\$ 52,112,320
911 surcharge	226,118
State tax credits	2,764,136
Office fees and collections	1,547,659
Auto licenses, drivers' licenses, use tax and postage	8,481,134
Assessments	56,621
Trusts	445,588
Miscellaneous	<u>508,456</u>
Total additions	<u>66,142,032</u>
Deductions:	
Agency remittances:	
To other funds	876,337
To other governments	65,222,870
Trusts paid out	<u>424,594</u>
Total deductions	<u>66,523,801</u>
Change in net position	(381,769)
Net position beginning of year, as restated	<u>1,358,664</u>
Net position end of year	<u>\$ 976,895</u>

See notes to financial statements.

Dickinson County

Notes to Financial Statements

June 30, 2021

(1) Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

Discretely Presented Component Unit – The Conservation Foundation has been incorporated under Chapter 504A of the Code of Iowa to receive donations for the benefit of the Dickinson County Conservation Board. These donations are to be used to purchase items not included in the County's budget. In accordance with criteria set forth by the Governmental Accounting Standards Board, the Foundation meets the definition of a component unit which should be discretely presented.

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

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

Jointly Governed Organizations – The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: County Assessor’s Conference Board, County Emergency Management Commission and County Joint 911 Service Board. Financial transactions of these organizations are included in the County’s financial statements only to the extent of the County’s fiduciary relationship with the organization and, as such, are reported in the Custodial Funds of the County.

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

B. Basis of Presentation

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

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

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

Restricted net position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation.

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

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

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

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

The Drainage Districts Fund is used to account for the drainage assessment revenue and for the payment of construction, repairs and maintenance for a district's drains.

The Dickinson County Trails Fund is used to account for donations and grants received for the development of trails within the County.

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

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

Additionally, the County reports the following funds:

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position

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

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

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

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax and tax increment financing receivables represent 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 and tax increment financing receivables have been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which they are 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, 2019 assessed property valuations; is for the tax accrual period July 1, 2020 through June 30, 2021 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2020.

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

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

Special Assessments Receivable – Special assessments receivable represent the amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in no more than 15 annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Special assessments receivable represent assessments which have been made but have not been collected.

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

Due from and Due to Other Funds – During the course of its operations, the County has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2021, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

Capital Assets – Capital assets, which include property, furniture and equipment and intangibles acquired after July 1, 1980 are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

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

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment and infrastructure are depreciated/ amortized using the straight line method over the following estimated useful lives:

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

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense, the unamortized portion of the net difference between projected and actual earnings on pension plan assets and contributions from the County after the measurement date but before the end of the County’s reporting period.

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

Unearned Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Unearned revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the County has not made a qualifying expenditure. Unearned revenue consists of unspent American Rescue Plan Act proceeds.

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and compensatory time for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in the governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2021. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

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

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

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Iowa Public Employees’ Retirement System (IPERS) and additions to/deductions from IPERS’ fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability attributed to governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

Total OPEB Liability – For purposes of measuring the total OPEB liability and OPEB expense, information has been determined based on Dickinson County’s actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

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

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax and tax increment financing receivables which will not be recognized until the year for which they are levied and unrecognized items not yet charged to pension expense.

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

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

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

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

Unassigned – All amounts not included in the preceding classifications.

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

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2021, disbursements did not exceed the amounts budgeted. However, disbursements in certain departments exceeded the amounts appropriated prior to approval of an amendment.

(2) Cash, Cash Equivalents and Pooled Investments

The County's deposits in banks at June 30, 2021 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

At June 30, 2021, the County had the following investments:

<u>Investment</u>	<u>Fair Value</u>	<u>Maturity</u>
Federal Home Loan Bank (FHLB)	\$ 999,889	March 2026
Federal Home Loan Bank (FHLB)	<u>299,240</u>	May 2026
Total	<u>\$ 1,299,129</u>	

At June 30, 2021, the Conservation Foundation, a discretely presented component unit, had the following investments:

<u>Investment</u>	<u>Fair Value</u>	<u>Maturity</u>
Mutual funds	<u>\$ 433,963</u>	N/A

The County and the Conservation Foundation use the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

The recurring fair value measurements for the mutual funds of \$433,963 were determined using the last reported sales price at current exchange rates. (Level 1 inputs).

The recurring fair value measurements for the FHLB securities of 1,299,129 were determined using the last reported sales price (Level 2 inputs).

In addition, the County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of \$169. There were no limitations or restrictions on withdrawals for the IPAIT investments. The County's investment in IPAIT is unrated.

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

Credit risk – The FHLB investments at June 30, 2021 are rated AAA by Moody's Investors Service and AA+ by Standard & Poor's Financial Service.

Concentration of credit risk and custodial risk – No more than 5% of the portfolio may be invested in the securities of a single issuer unless the issuer is a United States Government sponsored enterprise security and no more than 10% of the portfolio may be invested in each of the following categories of securities: prime bankers’ acceptances and commercial paper or other short-term corporate debt. The investments of the County are in the United States Government sponsored enterprise security.

Disclosure of concentration of credit risk and interest rate risk do not apply to the Conservation Foundation’s investments.

(3) Due From and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2021 is as follows:

Receivable Fund	Payable Fund	Amount
General	Special Revenue: Drainage Districts	<u>\$ 719,166</u>

(4) Advances To and From Other Funds

Receivable Fund	Payable Fund	Amount
General	Special Revenue: TIF and Urban Renewal	<u>\$ 18,000</u>

During fiscal year 2020, the County approved an interfund loan from the General Fund to the Special Revenue, TIF and Urban renewal Fund not to exceed \$75,000. The interfund loan was made to make the necessary debt service payments on the urban revitalization bond. During the year ended June 30, 2021, the County advanced \$10,000.

(5) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2021 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General	Special Revenue: Francis Sites	<u>\$ 200,000</u>
Special Revenue: Secondary Roads	General	491,432
	Special Revenue: Rural Services	<u>3,570,328</u>
		<u>4,061,760</u>
Dickinson County Trails	General	50,000
	Special Revenue: Trails Maintenance	<u>300,000</u>
		<u>350,000</u>
Trails Maintenance	General	230,000
	Special Revenue: Dickinson County Trails	<u>300,000</u>
		<u>530,000</u>
Francis Sites	General	<u>400,000</u>
Low and Moderate Income	General	<u>7,008</u>
Debt Service	Special Revenue: TIF and Urban Renewal	<u>222,425</u>
Total		<u>\$ 5,771,193</u>

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

(6) Capital Assets

Capital assets activity for the year ended June 30, 2021 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 7,611,794	79,948	-	7,691,742
Intangibles, road network	529,900	-	-	529,900
Construction in progress, road network	8,177,742	377,798	(8,439,025)	116,515
Construction in progress	3,737,809	4,982,521	(1,356,884)	7,363,446
Total capital assets not being depreciated/amortized	20,057,245	5,440,267	(9,795,909)	15,701,603
Capital assets being depreciated/amortized:				
Buildings	21,369,351	1,251,309	-	22,620,660
Improvements other than buildings	136,629	186,085	-	322,714
Equipment and vehicles	11,283,828	541,055	(158,716)	11,666,167
Infrastructure, road network	22,861,484	8,439,025	-	31,300,509
Infrastructure, other	8,860,575	1,356,884	-	10,217,459
Total capital assets being depreciated/amortized	64,511,867	11,774,358	(158,716)	76,127,509
Less accumulated depreciation/amortized for:				
Buildings	4,133,289	457,763	-	4,591,052
Improvements other than buildings	23,876	12,789	-	36,665
Equipment and vehicles	5,053,350	706,426	(156,711)	5,603,065
Infrastructure, road network	8,494,986	1,196,485	-	9,691,471
Infrastructure, other	2,224,024	389,071	-	2,613,095
Total accumulated depreciation/amortized	19,929,525	2,762,534	(156,711)	22,535,348
Total capital assets being depreciated/amortized, net	44,582,342	9,011,824	(2,005)	53,592,161
Governmental activities capital assets, net	\$ 64,639,587	14,452,091	(9,797,914)	69,293,764

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 66,111
Physical health and social services	512
County environment and education	453,650
Roads and transportation	1,839,138
Governmental services to residents	17,603
Administration	385,520
Total depreciation/amortization expense - governmental activities	\$ 2,762,534

(7) Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2021 is as follows:

Fund	Description	Amount
General	Services	\$ 70,673
Special Revenue:		
Mental Health	Services	33
Secondary Roads	Services	1,126
Waste Management Reduction	Services	37
Total for governmental funds		<u>\$ 71,869</u>
Agency:		
County Offices	Collections	\$ 146,520
Agricultural Extension Education		1,392
County Assessor		51
Schools		144,027
Community Colleges		17,221
Corporations		94,332
Townships		2,975
Auto License, Use Tax and Drivers' License		782,921
All other		<u>137,306</u>
Total for agency funds		<u>\$ 1,326,745</u>

(8) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2021 is as follows:

	General Obligation Bonds	General Obligation Capital Loan Notes - Direct Borrowing	Urban Renewal Revenue Notes - Direct Borrowing	Drainage Warrants - Direct Borrowing	Compensated Absences	Total OPEB Liability	Net Pension Liability	Total
Balance beginning of year	\$ 14,765,000	420,000	331,077	1,229,018	382,178	203,626	2,895,987	20,226,886
Increases	9,650,000	-	-	392,272	355,464	25,381	819,837	11,242,954
Decreases	12,010,000	41,000	56,208	8,507	344,074	4,572	-	12,464,361
Balance end of year	\$ 12,405,000	379,000	274,869	1,612,783	393,568	224,435	3,715,824	19,005,479
Due within one year	\$ 1,985,000	43,000	57,919	398,307	255,141	4,572	-	2,743,939

General Obligation Bonds

A summary of the County's June 30, 2021 general obligation indebtedness is as follows:

Year Ending June 30,	East Okoboji Beach Urban Renewal Refunding Bonds Issued Oct 11, 2016			Courthouse Construction Urban Renewal Refunding Bonds Issued Oct 11, 2016		
	Interest			Interest		
	Rates	Principal	Interest	Rates	Principal	Interest
2022	1.50%	\$ 150,000	25,000	1.15%	\$ 1,100,000	25,338
2023	1.50	150,000	22,750	1.25	1,015,000	12,688
2024	1.50	150,000	20,500	-	-	-
2025	1.75	150,000	18,250	-	-	-
2026	1.75	150,000	15,626	-	-	-
2027-2030	1.75-2.00	670,000	33,700	-	-	-
Total		<u>\$ 1,420,000</u>	<u>135,826</u>		<u>\$ 2,115,000</u>	<u>38,026</u>

Year Ending June 30,	Hospital Refunding Bonds Issued Sep 22, 2020			General Obligation Bonds/Notes Totals		
	Interest			Principal	Interest	Total
	Rates	Principal	Interest			
2022	2.00%	\$ 735,000	151,800	\$ 1,985,000	202,138	2,187,138
2023	2.00	745,000	137,100	1,910,000	172,538	2,082,538
2024	2.00	760,000	122,200	910,000	142,700	1,052,700
2025	2.00	775,000	107,000	925,000	125,250	1,050,250
2026	2.00	800,000	91,500	950,000	107,126	1,057,126
2027-2031	1.10-2.00	4,185,000	234,520	4,855,000	268,220	5,123,220
2032	1.40	870,000	12,180	870,000	12,180	882,180
Total		<u>\$ 8,870,000</u>	<u>856,300</u>	<u>\$ 12,405,000</u>	<u>1,030,152</u>	<u>13,435,152</u>

General Obligation Refunding Bonds

On October 11, 2016, the County issued \$2,405,000 of general obligation refunding bonds, series 2016A, with interest rates ranging from 1.50% to 2.00% per annum. The bonds were issued to refund the \$2,280,000 outstanding balance of general obligation bonds issued May 1, 2009. During the year ended June 30, 2021, the County paid principal of \$150,000 and interest of \$27,250 on the bonds.

On October 11, 2016, the County issued \$5,170,000 of general obligation refunding capital loan notes for a crossover advance refunding of \$5,085,000 of general obligation capital loan notes dated April 1, 2009. The notes bear interest at rates ranging from 1.15% to 1.25% per annum and mature May 1, 2023. During the year ended June 30, 2021, the County paid principal of \$1,010,000 and interest of \$35,943 on the bonds.

On September 22, 2020, the County issued \$9,650,000 of general obligation refunding bonds with interest rates ranging from 1.40% to 2.00% per annum. The County used the proceeds, premium and \$214,352 from the County Hospital to currently refund the outstanding balance of \$10,000,000 of the 2012 hospital urban renewal bonds and pay the issuance cost of the new debt. The County reduced its total debt service payments by \$703,613 and obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$646,460. During the year ended June 30, 2021, the County paid principal of \$780,000 and interest of \$115,785 on the bonds.

The County loaned the proceeds of the 2012 general obligation hospital urban renewal bonds to Lakes Regional Hospital. Under the loan agreement, Lakes Regional Hospital is to make payments to the County equal to the payments the County is required to make on the general obligation refunding bonds. The payments received from Lakes Regional Hospital are credited to the Debt Service Fund.

General Obligation Capital Loan Notes – Direct Borrowing

On May 6, 2009, the County entered into a general obligation capital loan note agreement with the Iowa Finance Authority for up to \$929,000 to pay for expenditures incurred in conjunction with one or more urban renewal projects in the East Okoboji Beach Urban Renewal Area. Projects include the construction of roads, water, sewer and storm sewer improvements. The total amount drawn was \$829,749. The capital loan notes bear interest at 1.75% per annum with final maturity on June 1, 2029. The first payment on the capital loan notes was due May 1, 2010. During the year ended June 30, 2021, the County paid principal and interest of \$41,000 and \$7,350, respectively, on the capital loan notes.

A summary of the County’s June 30, 2021 general obligation capital loan note indebtedness is as follows:

Year Ending June 30,	<u>General Obligation Capital Loan Notes</u> <u>East Okoboji Beach Urban Renewal Area</u> Issued May 6, 2009		
	Interest Rates	Principal	Interest
2022	1.75%	\$ 43,000	6,633
2023	1.75	44,000	5,880
2024	1.75	45,000	5,110
2025	1.75	47,000	4,323
2026	1.75	48,000	3,500
2027-2029	1.75	152,000	5,373
Total		<u>\$ 379,000</u>	<u>30,819</u>

Urban Renewal Revenue Notes – Direct Borrowing

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

On August 28, 2012, the Board of Supervisors approved an amendment to the loan agreement providing for the reissuance of \$630,000 of urban renewal revenue notes plus \$91,793 of delinquent principal, as well as amending the repayment schedule and interest rate. Principal and interest remaining on the notes of \$296,036 is payable through December 2025. For the current year, principal and interest paid on the urban renewal revenue notes were \$56,208 and \$9,577, respectively.

A summary of the County's June 30, 2021 urban renewal revenue notes indebtedness is as follows:

Year ending June 30,	Interest Rates	Principal	Interest	Total
2022	3.02%	\$ 57,919	7,867	65,786
2023	3.02	59,681	6,105	65,786
2024	3.02	61,497	4,289	65,786
2025	3.02	63,368	2,417	65,785
2026	3.02	32,404	489	32,893
Total		\$ 274,869	21,167	296,036

Drainage Warrants – Direct Borrowing

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

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

(9) Lakes Regional Hospital Loan Receivable

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

(10) Pension Plan

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

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

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

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

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

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

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

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

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

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

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

In fiscal year 2021, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the County contributed 9.44% of covered payroll, for a total rate of 15.73%. The Sheriff, deputies and the County each contributed 9.26% of covered payroll, for a total rate of 18.52%. Protection occupation members contributed 6.41% of covered payroll and the County contributed 9.61% of covered payroll, for a total rate of 16.02%.

The County's contributions to IPERS for the year ended June 30, 2021 totaled \$524,738.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2021, the County reported a liability of \$3,715,824 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2020, the County's proportion was 0.052896%, which was an increase of 0.002885% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of \$719,834. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 16,770	95,772
Changes of assumptions	246,147	68,662
Net difference between projected and actual earnings on IPERS' investments	298,111	-
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	109,184	51,775
County contributions subsequent to the measurement date	524,738	-
Total	<u>\$ 1,194,950</u>	<u>216,209</u>

\$524,738 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	Amount
2022	\$ 61,970
2023	105,059
2024	113,742
2025	175,443
2026	<u>(2,211)</u>
Total	<u>\$ 454,003</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2017)	2.60% per annum.
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2020 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	4.43%
International equity	17.5	5.15
Global smart beta equity	6.0	4.87
Core plus fixed income	28.0	(0.29)
Public credit	4.0	2.29
Cash	1.0	(0.78)
Private equity	11.0	6.54
Private real assets	7.5	4.48
Private credit	3.0	3.11
Total	<u>100.0%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the County will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS’ fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS’ investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$ 7,057,121	3,715,824	914,904

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

Payables to IPERS – All legally required County contributions and legally required employee contributions which had been withheld from employee wages were remitted by the County to IPERS by June 30, 2021.

(11) Other Postemployment Benefits (OPEB)

Plan Description – The County administers a single-employer benefit plan which provides medical, prescription drug and dental benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB Benefits – Individuals who are employed by Dickinson County and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical, prescription drug and dental benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1
Active employees	<u>94</u>
Total	<u><u>95</u></u>

Total OPEB Liability – The County's total OPEB liability of \$224,435 was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and the alternative measurement method permitted under GASB Statement No. 75, a simplified version of the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2020)	3.00% per annum.
Rates of salary increase (effective June 30, 2020)	3.00% per annum, including inflation.
Discount rate (effective June 30, 2020)	2.21% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2020)	5.00% per annum.

Discount Rate – The discount rate used to measure the total OPEB liability was 2.21% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the 2016 United State Life Tables.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 203,626
Changes for the year:	
Service cost	20,479
Interest	4,902
Differences between expected and actual experiences	-
Changes in assumptions	-
Benefit payments	<u>(4,572)</u>
Net changes	<u>20,809</u>
Total OPEB liability end of year	<u>\$ 224,435</u>

There were no changes of assumptions as the discount rate of 2.21% remained unchanged from the prior year.

Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.21%) or 1% higher (3.21%) than the current discount rate.

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	\$ 238,121	224,435	208,969

Sensitivity of the County’s Total OPEB Liability to Changes in the Healthcare Cost Trend Rates
 – The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (4.00%) or 1% higher (5.00%) than the current healthcare cost trend rates.

	1% Decrease (4.00%)	Healthcare Cost Trend Rate (5.00%)	1% Increase (6.00%)
Total OPEB liability	\$ 197,127	224,435	257,018

OPEB Expense – For the year ended June 30, 2021, the County recognized OPEB expense of \$25,381. The County did not report deferred outflows of resources related to OPEB as the alternative measurement method was used which immediately recognizes changes of assumptions and the difference between expected and actual experience with regard to economic and demographic factors in OPEB expense.

(12) Revolving Loan Account

The Revolving Economic Development Account was established within the General Fund to promote economic development in the County through grants and loans. Upon receipt of loan payments from the businesses, the funds remain in the Revolving Economic Development Account for subsequent loans to other businesses. There are no outstanding loans at June 30, 2021.

(13) Risk Management

The County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 785 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member’s annual casualty contributions to the Pool fund current operations and provide capital. Annual casualty operating contributions are those amounts necessary to fund, on a cash basis, the Pool’s general and administrative expenses, claims, claims expenses and reinsurance expenses estimated for the fiscal year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of basis rate.

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

The County’s property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The County’s contributions to the Pool for the year ended June 30, 2021 were \$253,684.

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 \$500,000 per claim. Claims exceeding \$500,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location. Property risks exceeding \$250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate.

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

The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2021, no liability has been recorded in the County's financial statements. As of June 30, 2021, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Upon withdrawal, a formula set forth in the Pool's intergovernmental contract with its members is applied to determine the amount (if any) to be refunded to the withdrawing member.

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

(14) Public Health

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

The services provided by home health, public health and homemakers service are under the administrative control of the Hospital. All services rendered under the terms of the agreement are to be funded by the Hospital, except where residents of the County may be unable to pay for the services, in which case the Hospital may submit monthly claims for reimbursement for services and fees to the County for payment. In addition, effective July 1, 2011, the County and the Board agreed to reimburse the Hospital up to \$146,000 per year for public health services, including reimbursement for indigent fees.

(15) Employee Health Insurance Plan

The Internal Service, Employee Group Health Fund was established to account for the partial self-funding of the County’s health insurance benefit plan. The plan is funded by County contributions and is administered through a service agreement with Secure Benefits Systems. The agreement with Secure Benefits Systems is renewable on an annual basis. After an eligible employee with single coverage has paid \$500 of the applicable deductible amount under the contract during a calendar year or an eligible employee with family coverage has paid \$1,000 of the applicable deductible amount under the contract during a calendar year, the County will pay directly or reimburse any eligible employee for 60% (80% if seen by a participating physician) of any additional expenses for services covered by the contract, but subject to the deductible or co-insurance provisions of the contract. An employee’s maximum payment during any calendar year for deductibles and co-insurance shall be \$1,000 with respect to single coverage and \$2,000 with respect to family coverage. After an employee has made the maximum prescribed payments, the County will pay directly or reimburse the employee for 100% of any additional expenses for services covered by the contract, up to \$5,350 for single coverage and \$10,700 for family coverage.

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Secure Benefits Systems from the Employee Group Health Fund. The County’s contribution to the fund for the year ended June 30, 2021 was \$320,024.

Amounts payable from the Employee Group Health Fund at June 30, 2021 total \$47,000, which is incurred for but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior-year and current-year claims. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for the current year is as follows:

Unpaid claims beginning of year	\$ 53,000
Incurred claims (including claims incurred but not reported at June 30, 2021)	201,833
Payments:	
Payment on claims during the year	<u>207,833</u>
Unpaid claims end of year	<u>\$ 47,000</u>

(16) Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Tax Abatements of Other Entities

Other entities within the County also provided tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa.

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2021 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Lake Park	Urban renewal and economic development projects	\$ 2,240
City of Milford	Urban renewal and economic development projects	45,036
City of Spirit Lake	Urban renewal and economic development projects	8,367
City of Terril	Urban renewal and economic development projects	4,775

(17) Jointly Governed Organization

The County participates in the Dickinson County Water Quality Commission, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa. Financial transactions of this organization are included in the County's financial statements as part of the Other Custodial Funds because of the County's fiduciary relationship with the organization. The following financial data is for the year ended June 30, 2021:

Additions:

Contributions from governmental units:

Dickinson County	\$ 61,335	
Iowa Department of Natural Resources	159,835	
City of Spirit Lake	20,300	
City of Okoboji	16,675	
City of Wahpeton	11,600	
City of Arnolds Park	10,730	
City of Milford	9,425	
City of West Okoboji	5,510	
City of Orleans	4,785	
City of Lake Park	3,045	
City of Superior	1,015	
City of Terril	725	\$ 304,980
Interest on investments		3,154
Total additions		308,134

Deductions:

Dickinson County Soil and Water Conservation District	30,000	
East Lake Okoboji Improvement Corporation	200,000	
Iowa Natural Heritage Foundation	93,574	
Silver Lake Park Improvement Association	39,551	
Ducks Unlimited Inc.	14,238	
Lakewood Parks Association	1,255	
Miscellaneous	157	378,775
Net		(70,641)
Balance beginning of year		296,282
Balance end of year		\$ 225,641

(18) Development Agreements

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

Dickinson County/Spirit Lake Urban Renewal Area – In July 2005, the County entered into a private development agreement for an urban renewal project with the City of Spirit Lake and two private developers. The agreement provided the County would make a forgivable loan of \$700,000 to the developers in exchange for the construction of certain minimum improvements located within the County’s TIF district. Urban revitalization bonds totaling \$790,000 were sold during the year ended June 30, 2006 and \$700,000 was forwarded to the developers. In addition, the County agreed to purchase a parcel of real estate for \$350,000 from the developers. The parcel was purchased during the year ended June 30, 2006. The loans are to be amortized and forgiven in annual amounts provided the developers comply with all requirements stipulated within the agreements. During the year ended June 30, 2021, \$65,785 was provided for debt service on the urban revitalization bonds. Property tax levied for fiscal year 2022 totals \$45,000.

West Sioux Estates Urban Renewal Area – In September 2005, the County entered into an agreement with the City of Milford to establish an urban renewal area. The project involves roadway improvements of approximately 2,800 linear feet on 193rd Avenue. The County’s primary objective in this urban renewal area is to promote new residential development. The cost of paving, including engineering, is estimated to be between \$400,000 and \$500,000. The County is going to use TIF revenue to support this residential development. Under the plan, 37% of the TIF revenue generated by the project must be used to provide assistance to low-and-moderate-income (LMI) families. As a result, the amount set aside for LMI housing projects would range between \$148,000 and \$185,000. The amount of LMI funds held by the County for this project at June 30, 2021 in the Special Revenue, Low and Moderate Income Fund was \$79,135. No property tax has been levied for fiscal year 2022.

Dickinson County/Orleans Urban Renewal Area – In April 2006, the County established an urban renewal area for the purpose of stimulating, through public involvement and commitment, private investment in a new residential development. The project involves roadway, water and sanitary sewer system improvements to support the development of 64 new single-family residential lots. The County is using tax increment financing to support this residential development, which has an estimated total cost of \$1,230,000, including low-and-moderate-income (LMI) funds which are to be set aside. In addition, general obligation bonds totaling \$700,000 were sold during the year ended June 30, 2009 for additional construction costs. For this urban renewal area, 37% of the TIF revenues generated by the project must be used to provide assistance to LMI families. The amount of LMI funds held by the County for this project at June 30, 2021 in the Special Revenue, Low and Moderate Income Fund was \$371,619. The estimated costs will be the City’s cost of \$30,000 for installing water main extensions, roadway improvements by the County of \$580,000 and water and sewer system improvements of approximately \$620,000. No property tax has been levied for fiscal year 2022.

(19) Deficit Fund Balances

The Special Revenue, Drainage Districts Fund had deficit unassigned fund balances of \$727,819 at June 30, 2021. The deficit balances will be eliminated through future drainage assessments.

(20) Dickinson County Financial Information Included as part of the Sioux Rivers Regional Mental Health and Disability Services

Sioux Rivers Regional Mental Health and Disability Services, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa, includes the following member counties: Dickinson County, Emmet County, Lyon County, O'Brien County, Plymouth County and Sioux County. The financial activity of Dickinson County's Special Revenue, Mental Health Fund is included as part of the Sioux Rivers Regional Mental Health and Disability Services, for the year ended June 30, 2021 as follows:

Revenues:		
Property and other county tax		\$ 512,170
Intergovernmental revenues:		
State tax credits	\$ 23,151	
Other intergovernmental revenues	353	23,504
Total revenues		<u>535,674</u>
Expenditures:		
Services to persons with Mental illness		100,002
General administration:		
Direct administration	57,063	
Distribution to regional fiscal agent	365,332	422,395
Total expenditures		<u>522,397</u>
Excess of expenditures over revenues		13,277
Fund balance beginning of the year		<u>155,133</u>
Fund balance end of the year		<u>\$ 168,410</u>

(21) COVID-19

In March 2020, the COVID-19 outbreak was declared a global pandemic. The disruption to businesses across a range of industries in the United States continues to evolve. The full impact to local, regional and national economies, including that of Dickinson County remains uncertain.

To date, the outbreak has not created a material disruption to the operations of Dickinson County. However, the extent of the financial impact of COVID-19 will depend on future developments, including the spread of the virus, duration and timing of the economic recovery. Due to these uncertainties, management cannot reasonably estimate the potential impact to Dickinson County.

(22) Prospective Accounting Change

Governmental Accounting Standards Board has issued Statement No. 87, Leases. This statement will be implemented for the fiscal year ending June 30, 2022. The revised requirements of this statement will require reporting of certain potentially significant lease assets and liabilities that are not currently reported.

(23) Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities, was implemented during fiscal year 2021. The new requirements change the definition of fiduciary activity and establish new financial reporting requirements for state and local governments which report fiduciary activity.

The restatement to retroactively report the change in net position, is as follows:

	<u>Fiduciary Activities</u>
Net position, June 30, 2020, as previously reported	\$ -
Changes to implement GASBS No. 84	<u>1,358,664</u>
Net position, July 1, 2020, as restated	<u>\$ 1,358,664</u>

Dickinson County

Required Supplementary Information

Dickinson County

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

Required Supplementary Information

Year ended June 30, 2021

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	\$ 13,654,617	-	13,654,617
Interest and penalty on property tax	132,890	-	132,890
Intergovernmental	7,756,441	-	7,756,441
Licenses and permits	79,151	-	79,151
Charges for service	1,135,520	-	1,135,520
Use of money and property	284,952	-	284,952
Miscellaneous	2,379,358	149,490	2,229,868
Total receipts	<u>25,422,929</u>	<u>149,490</u>	<u>25,273,439</u>
Disbursements:			
Public safety and legal services	3,096,757	-	3,096,757
Physical health and social services	546,322	-	546,322
Mental health	521,692	-	521,692
County environment and education	6,289,258	-	6,289,258
Roads and transportation	5,275,008	-	5,275,008
Governmental services to residents	888,037	-	888,037
Administration	2,629,476	-	2,629,476
Non-program	663,500	566,918	96,582
Debt service	1,347,895	9,567	1,338,328
Capital projects	380,021	-	380,021
Total disbursements	<u>21,637,966</u>	<u>576,485</u>	<u>21,061,481</u>
Excess (deficiency) of receipts over (under) disbursements	3,784,963	(426,995)	4,211,958
Other financing sources, net	392,272	392,272	-
Changes in balances	4,177,235	(34,723)	4,211,958
Balance beginning of year	13,015,846	(684,443)	13,700,289
Balance end of year	<u>\$ 17,193,081</u>	<u>(719,166)</u>	<u>17,912,247</u>

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Net
		Variance
13,254,248	13,254,248	400,369
67,300	67,300	65,590
6,513,000	6,890,492	865,949
67,100	67,100	12,051
772,295	772,295	363,225
332,465	332,465	(47,513)
355,202	355,202	1,874,666
21,361,610	21,739,102	3,534,337
3,261,986	3,295,986	199,229
603,797	625,797	79,475
525,996	525,996	4,304
7,554,432	7,554,432	1,265,174
6,186,060	6,186,060	911,052
945,514	945,514	57,477
2,619,160	2,949,160	319,684
117,300	117,300	20,718
1,338,330	1,338,330	2
2,250,000	2,250,000	1,869,979
25,402,575	25,788,575	4,727,094
(4,040,965)	(4,049,473)	8,261,431
1,360,500	1,360,500	(1,360,500)
(2,680,465)	(2,688,973)	6,900,931
11,702,803	11,702,803	1,997,486
9,022,338	9,013,830	8,898,417

Dickinson County

Budgetary Comparison Schedule - Budget to GAAP Reconciliation
Required Supplementary Information

Year ended June 30, 2021

	<u>Governmental Funds</u>		
	<u>Cash</u>	<u>Accrual</u>	<u>Modified</u>
	<u>Basis</u>	<u>Adjustments</u>	<u>Accrual</u>
			<u>Basis</u>
Revenues	\$ 25,422,929	(1,560,474)	23,862,455
Expenditures	21,637,966	661,645	22,299,611
Net	3,784,963	(2,222,119)	1,562,844
Other financing sources (uses), net	392,272	(19,232)	373,040
Beginning fund balances, as restated	13,015,846	10,090,131	23,105,977
Ending fund balances	<u>\$ 17,193,081</u>	<u>7,848,780</u>	<u>25,041,861</u>

See accompanying independent auditor's report.

Dickinson County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2021

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

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

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds and the Debt Service Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, one budget amendment increased budgeted disbursements by \$386,000. The budget amendments are reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Assessor by the County Conference Board, for the 911 System by the Joint 911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2021, disbursements did not exceed the amounts budgeted by function. However, disbursements in certain departments exceeded the amounts appropriated prior to approval of an amendment.

Dickinson County

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

Iowa Public Employees' Retirement System
For the Last Seven Years*
(In Thousands)

Required Supplementary Information

	2021	2020	2019	2018
County's proportion of the net pension liability	0.052896%	0.050011%	0.050674%	0.051349%
County's proportionate share of the net pension liability	\$ 3,716	2,896	3,207	3,420
County's covered payroll	\$ 5,403	5,240	4,937	4,625
County's proportionate share of the net pension liability as a percentage of its covered payroll	68.78%	55.27%	64.96%	73.95%
IPERS' net position as a percentage of the total pension liability	82.90%	85.45%	83.62%	82.21%

* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

See accompanying independent auditor's report.

2017	2016	2015
0.053328%	0.048162%	0.049831%
3,356	2,379	1,976
4,634	4,301	4,226
72.42%	55.31%	46.76%
81.82%	85.19%	87.61%

Dickinson County

Schedule of County Contributions

Iowa Public Employees' Retirement System
For the Last Ten Years
(In Thousands)

Required Supplementary Information

	2021	2020	2019	2018
Statutorily required contribution	\$ 525	514	502	449
Contributions in relation to the statutorily required contribution	(525)	(514)	(502)	(449)
Contribution deficiency (excess)	\$ -	-	-	-
County's covered payroll	\$ 5,559	5,403	5,240	4,937
Contributions as a percentage of covered payroll	9.44%	9.51%	9.58%	9.09%

See accompanying independent auditor's report.

2017	2016	2015	2014	2013	2012
422	424	395	386	372	335
(422)	(424)	(395)	(386)	(372)	(335)
-	-	-	-	-	-
4,625	4,634	4,301	4,226	4,194	4,007
9.12%	9.15%	9.18%	9.13%	8.87%	8.36%

Dickinson County

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2021

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

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

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

Dickinson County

Schedule of Changes in the County's
Total OPEB Liability, Related Ratios and Notes

For the Last Four Years
Required Supplementary Information

	2021	2020	2019	2018
Service cost	\$ 20,479	14,741	14,312	8,994
Interest cost	4,902	8,380	8,114	5,974
Difference between expected and actual experiences	-	(43,326)	-	48,842
Changes in assumptions	-	28,433	-	23,432
Benefit payments	(4,572)	(12,783)	(19,159)	(12,175)
Net change in total OPEB liability	20,809	(4,555)	3,267	75,067
Total OPEB liability beginning of year	203,626	208,181	204,914	129,847
Total OPEB liability end of year	\$ 224,435	203,626	208,181	204,914
Covered-employee payroll	\$ 5,204,349	5,052,766	4,590,957	4,457,240
Total OPEB liability as a percentage of covered-employee payroll	4.31%	4.03%	4.53%	4.60%

Notes to Schedule of Changes in the County's Total OPEB Liability and Related Ratios

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Year ended June 30, 2021	2.21%
Year ended June 30, 2020	2.21%
Year ended June 30, 2019	3.87%
Year ended June 30, 2018	3.87%
Year ended June 30, 2017	4.50%

Dickinson County

Supplementary Information

Dickinson County
 Combining Balance Sheet
 Nonmajor Governmental Funds

June 30, 2021

				Special
	County Recorder's Records Management	Sheriff Forfeiture	Resource Enhancement and Protection	Confiscated Property Fees
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ 133,256	5,209	8,604	12,605
Receivables:				
Accounts	-	-	-	-
Due from other governments	-	-	-	-
Total assets	\$ 133,256	5,209	8,604	12,605
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ -	-	-	-
Due to other governments	-	-	-	-
Total liabilities	-	-	-	-
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Fund balances:				
Restricted for:				
Other purposes	133,256	5,209	8,604	12,605
Total liabilities, deferred inflows of resources and fund balances	\$ 133,256	5,209	8,604	12,605

See accompanying independent auditor's report.

Revenue							
Low and Moderate Income	Waste Management Reduction	Supplemental Environmental Project	Francis Sites	Trails Maintenance	Courthouse Memorial	Total	
450,754	113,276	3	108,119	134,363	194	966,383	
-	-	-	77,818	-	-	77,818	
-	-	-	-	27,580	-	27,580	
450,754	113,276	3	185,937	161,943	194	1,071,781	
-	8,293	-	116,706	29,009	-	154,008	
-	37	-	-	-	-	37	
-	8,330	-	116,706	29,009	-	154,045	
-	-	-	-	27,580	-	27,580	
450,754	104,946	3	69,231	105,354	194	890,156	
450,754	113,276	3	185,937	161,943	194	1,071,781	

Dickinson County

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

Year ended June 30, 2021

	Special			
	County Recorder's Records Management	Sheriff Forfeiture	Resource Enhancement and Protection	Confiscated Property Fees
Revenues:				
Intergovernmental	\$ -	-	13,152	-
Charges for service	9,545	-	-	-
Use of money and property	1,420	59	108	-
Miscellaneous	-	-	-	386
Total revenues	10,965	59	13,260	386
Expenditures:				
Operating:				
Public safety and legal services	-	-	-	16
County environment and education	-	-	-	-
Total expenditures	-	-	-	16
Excess (deficiency) of revenues over (under) expenditures	10,965	59	13,260	370
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Change in fund balances	10,965	59	13,260	370
Fund balances (deficits) beginning of year	122,291	5,150	(4,656)	12,235
Fund balances end of year	\$ 133,256	5,209	8,604	12,605

See accompanying independent auditor's report.

Revenue							
Low and Moderate Income	Waste Management Reduction	Supplemental Environmental Project	Francis Sites	Trails Maintenance	Courthouse Memorial	Total	
-	-	-	210,000	284,424	-	507,576	
-	139,429	-	-	-	-	148,974	
-	-	-	-	-	1	1,588	
-	-	-	328,818	600	-	329,804	
-	139,429	-	538,818	285,024	1	987,942	
-	-	-	-	-	-	16	
-	123,967	-	679,587	83,767	-	887,321	
-	123,967	-	679,587	83,767	-	887,337	
-	15,462	-	(140,769)	201,257	1	100,605	
7,008	-	-	400,000	530,000	-	937,008	
-	-	-	(200,000)	(300,000)	-	(500,000)	
7,008	-	-	200,000	230,000	-	437,008	
7,008	15,462	-	59,231	431,257	1	537,613	
443,746	89,484	3	10,000	(325,903)	193	352,543	
450,754	104,946	3	69,231	105,354	194	890,156	

Dickinson County

Combining Schedule of Fiduciary Net Position
Custodial Funds

June 30, 2021

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ -	1,392	76,784	144,027
Other County officials	199,252	-	-	-
Receivables:				
Property tax:				
Delinquent	-	68	123	6,797
Succeeding year	-	258,000	573,000	26,665,000
Accounts	-	-	-	-
Special assessments	-	-	-	-
Drainage assessments	-	-	-	-
Due from other governments	-	-	-	-
Total assets	\$ 199,252	259,460	649,907	26,815,824
Liabilities				
Accounts payable	-	-	735	-
Salaries and benefits payable	-	-	7,388	-
Due to other governments	146,520	1,392	51	144,027
Trusts payable	52,732	-	-	-
Compensated absences	-	-	21,925	-
Total liabilities	\$ 199,252	1,392	30,099	144,027
Deferred Inflows of Resources				
Unavailable revenues	\$ -	258,000	573,000	26,665,000
Net Position				
Restricted for individuals, organizations and other governments	\$ -	68	46,808	6,797

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License, Use Tax and Drivers' License	Other	Total
17,221	94,332	2,975	782,921	823,796	1,943,448
-	-	-	-	22,543	221,795
827	9,099	221	-	1,359	18,494
3,221,000	15,318,000	487,000	-	7,111,000	53,633,000
-	-	-	-	8,565	8,565
-	64,367	-	-	28,053	92,420
-	-	-	-	85,790	85,790
-	-	-	-	58,770	58,770
3,239,048	15,485,798	490,196	782,921	8,139,876	56,062,282
-	-	-	-	608	1,343
-	-	-	-	2,216	9,604
17,221	94,332	2,975	782,921	137,306	1,326,745
-	-	-	-	22,543	75,275
-	-	-	-	17,495	39,420
17,221	94,332	2,975	782,921	180,168	1,452,387
3,221,000	15,318,000	487,000	-	7,111,000	53,633,000
827	73,466	221	-	848,708	976,895

Dickinson County

Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds

Year ended June 30, 2021

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets and Liabilities				
Additions:				
Property and other county tax	\$ -	253,140	462,737	25,969,183
911 surcharges	-	-	-	-
State tax credits	-	11,507	21,026	1,191,261
Office fees and collections	1,547,659	-	-	-
Auto licenses, drivers' licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	365,781	-	-	-
Miscellaneous	-	176	631	18,144
Total additions	1,913,440	264,823	484,394	27,178,588
Deductions:				
Agency remittances:				
To other funds	589,424	-	-	-
To other governments	979,229	266,271	496,296	27,321,394
Trusts paid out	344,787	-	-	-
Total deductions	1,913,440	266,271	496,296	27,321,394
Changes in net position	-	(1,448)	(11,902)	(142,806)
Net position beginning of year, as restated	-	1,516	58,710	149,603
Net position end of year	\$ -	68	46,808	6,797

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License, Use Tax and Drivers' License	Other	Total
3,137,944	14,830,614	476,611	-	6,982,091	52,112,320
-	-	-	-	226,118	226,118
143,693	1,085,872	23,552	-	287,225	2,764,136
-	-	-	-	-	1,547,659
-	-	-	8,481,134	-	8,481,134
-	16,331	-	-	40,290	56,621
-	-	-	-	79,807	445,588
2,145	-	918	-	486,442	508,456
3,283,782	15,932,817	501,081	8,481,134	8,101,973	66,142,032
-	-	-	286,913	-	876,337
3,300,884	16,049,113	502,835	8,194,221	8,112,627	65,222,870
-	-	-	-	79,807	424,594
3,300,884	16,049,113	502,835	8,481,134	8,192,434	66,523,801
(17,102)	(116,296)	(1,754)	-	(90,461)	(381,769)
17,929	189,762	1,975	-	939,169	1,358,664
827	73,466	221	-	848,708	976,895

Dickinson County

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

For the Last Ten Years

	2021	2020	2019	2018
Revenues:				
Property and other county tax	\$ 11,592,969	10,022,901	9,605,294	9,463,844
Tax increment financing	282,005	261,035	286,431	601,549
Local option sales tax	1,868,521	1,425,319	1,400,900	1,410,783
Interest and penalty on property tax	132,890	32,393	83,661	73,665
Intergovernmental	6,091,603	5,455,607	4,964,229	4,885,702
Licenses and permits	73,661	67,583	84,657	103,541
Charges for service	1,080,335	966,353	844,814	805,373
Use of money and property	272,410	359,998	394,101	377,341
Miscellaneous	2,468,061	2,802,938	649,562	1,117,298
Total	\$ 23,862,455	21,394,127	18,313,649	18,839,096
Expenditures:				
Operating:				
Public safety and legal services	\$ 3,090,257	2,961,532	2,884,023	2,757,067
Physical health and social services	537,608	537,060	481,245	462,989
Mental health	522,397	256,325	182,713	548,587
County environment and education	5,606,928	4,403,411	3,015,886	4,370,300
Roads and transportation	5,480,931	4,600,883	5,402,303	4,618,240
Governmental services to residents	872,261	845,119	807,890	925,437
Administration	2,627,208	2,281,751	2,522,095	2,268,278
Non-program	689,074	801,272	345,919	813,610
Debt service	2,523,663	2,418,912	2,362,358	2,611,656
Capital projects	349,284	3,755,587	495,092	1,157,283
Total	\$ 22,299,611	22,861,852	18,499,524	20,533,447

See accompanying independent auditor's report.

2017	2016	2015	2014	2013	2012
9,099,276	8,865,585	8,745,388	8,520,932	8,172,638	7,641,275
541,217	629,123	601,203	623,530	613,089	755,022
1,281,417	1,284,840	1,284,712	1,070,286	1,211,552	1,112,969
76,083	80,917	70,657	71,953	77,837	81,622
5,083,104	4,085,560	3,898,652	4,603,348	3,492,114	3,974,019
99,746	24,665	27,475	31,398	29,192	26,438
788,311	780,456	831,957	746,058	750,598	783,089
338,272	276,670	254,292	218,678	155,768	242,015
962,951	427,438	572,372	968,175	598,411	1,301,687
18,270,377	16,455,254	16,286,708	16,854,358	15,101,199	15,918,136
2,676,797	2,500,229	2,469,254	2,309,002	2,297,986	2,144,921
445,684	465,906	441,405	488,597	531,217	496,257
410,525	814,722	569,695	458,537	483,324	1,907,359
2,844,517	1,958,135	1,981,743	2,654,821	2,717,185	2,130,823
5,026,580	4,679,053	3,417,401	3,610,183	3,777,499	3,006,073
791,858	736,362	715,146	711,827	680,024	648,715
2,262,930	1,960,764	1,904,593	1,962,582	1,855,411	1,886,325
545,652	316,688	494,081	336,776	550,946	212,090
3,119,316	2,695,810	3,042,341	2,666,176	1,999,826	1,403,790
947,989	983,771	1,414,329	1,879,197	1,582,433	468,040
19,071,848	17,111,440	16,449,988	17,077,698	16,475,851	14,304,393

Schedule 6

Dickinson County
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2021

Grantor/Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Program Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 26,767
U.S. Department of Justice:			
Iowa Department of Justice:			
Crime Victim Assistance	16.575	VP-21-124-VWC	25,000
U.S. Department of Transportation:			
Iowa Department of Transportation:			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	19-TAP-107	176
Highway Planning and Construction	20.205	20-TAP-126	184,000
			<u>184,176 *</u>
Recreational Trails Program	20.219	303-NRT-008	<u>14,101 *</u>
Iowa Department of Public Safety, Governor's Traffic Safety Bureau:			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	PAP 21-402-MOPT, Task 63-70-00	4,200
U.S. Department of the Treasury:			
Iowa Department of Revenue:			
COVID-19, Coronavirus Relief Funds	21.019		<u>393,902 **</u>
U.S. Department of Health and Human Services:			
Iowa Department of Public Health:			
Substance Abuse and Mental Health Services Projects of Regional and National Significance			
	93.243	5885BT430	442
Immunization Cooperative Agreements	93.268	5881I428	6,678
COVID-19, Immunization Cooperative Agreements	93.268	5881I428	6,030
COVID-19, Immunization Cooperative Agreements	93.268	5885BT430	47,083
			<u>59,791</u>
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	5881NB14	<u>1,925</u>
U.S. Department of Health and Human Services:			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Title IV-E Prevention and Family Services and Programs (A)			
	93.472		<u>1,377</u>
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund			
	93.596		<u>5,870</u>
Foster Care_Title IV-E	93.658		<u>7,020</u>
Adoption Assistance	93.659		<u>3,449</u>
Social Services Block Grant	93.667		<u>6,402</u>
Children's Health Insurance Program	93.767		<u>566</u>
Medicaid Cluster:			
Medical Assistance Program	93.778		<u>23,265</u>

Dickinson County
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2021

Grantor/Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Program Expenditures
Indirect (continued):			
U.S. Department of Homeland Security:			
Iowa Homeland Security and Emergency Management:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA 4421 DRIA	3,800
COVID-19, Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA 4483 DRIA	51,033
			<u>54,833</u>
Total Indirect			<u>\$ 813,086</u>

* Total Highway Planning and Construction Cluster \$198,277

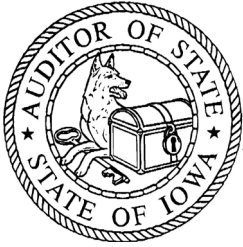
** Of this total \$247,331 are for expenditures incurred during fiscal year 2020.

Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Dickinson County under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Dickinson County, it is not intended to and does not present the financial position, changes in financial position or cash flows of Dickinson County.

Summary of Significant Accounting Policies – Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate – Dickinson County has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

See accompanying independent auditor's report.



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

To the Officials of Dickinson County:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of Dickinson County, Iowa, as of and for the year ended June 30, 2021, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 15, 2022.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the County's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in Part II the accompanying Schedule of Findings and Questioned Costs as items II-A-21 through II-C-21 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in Part II of the accompanying Schedule of Findings and Questioned Costs as item II-D-21 to be a significant deficiency.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2021 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

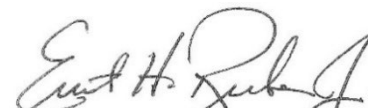
Dickinson County's Responses to the Findings

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

Purpose of this Report

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

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


Ernest H. Ruben, Jr., CPA
Deputy Auditor of State

September 15, 2022



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

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Independent Auditor's Report on Compliance
for Each Major Federal Program and on Internal Control over Compliance
Required by the Uniform Guidance

To the Officials of Dickinson County:

Report on Compliance for Each Major Federal Program

We have audited Dickinson County, Iowa's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on its major federal program for the year ended June 30, 2021. Dickinson County's major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Dickinson County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirement of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Dickinson County's compliance with those requirements and performing such other procedures we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Dickinson County's compliance.

Opinion on the Major Federal Program

In our opinion, Dickinson County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

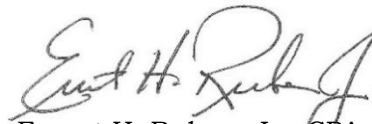
Report on Internal Control Over Compliance

The management of Dickinson County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Dickinson County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Dickinson County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Ernest H. Ruben, Jr., CPA
Deputy Auditor of State

September 15, 2022

Dickinson County
Schedule of Findings and Questioned Costs
Year ended June 30, 2021

Part I: Summary of the Independent Auditor's Results:

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- (b) Significant deficiencies and material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No significant deficiencies or material weaknesses in internal control over the major program were noted.
- (e) An unmodified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit did not disclose any audit findings which are required to be reported in accordance with the Uniform Guidance, Section 200.516.
- (g) The major program was Assistance Listing Number 21.019 – Coronavirus Relief Funds program.
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Dickinson County did not qualify as a low-risk auditee.

Dickinson County

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

Part II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

II-A-21 Segregation of Duties
(2021-001)

Criteria – Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the County's financial statements.

Condition – Generally, one or two individuals in the offices identified may have control over the following areas for which no compensating controls exist:

	<u>Applicable Offices</u>
(1) Responsibilities for collection, deposit preparation and reconciliation functions are not segregated from those for recording and accounting for cash receipts.	County Recorder, County Treasurer and County Sheriff
(2) All incoming mail is not opened by an employee who is not authorized to make entries to the accounting records.	County Recorder, County Treasurer and County Sheriff
(3) Bank reconciliations are not prepared by an independent person and are not independently reviewed.	County Sheriff

Cause – The County offices noted above have a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

Effect – Inadequate segregation of duties could adversely affect each County office's ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees in the normal course of performing their assigned functions.

Recommendation – Each official should review the control activities of their office to obtain the maximum internal control possible under the circumstances. The official should utilize current personnel, including elected officials, to provide additional control through review of financial transactions, reconciliations and reports.

Dickinson County

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

Responses –

County Sheriff – We will try to segregate duties as much as possible.

County Recorder – The Dickinson County Recorder’s office works diligently to segregate duties, including monthly financial reviews by staff in Dickinson County Treasurer’s office.

County Treasurer – We will continue to try to segregate duties as much as possible to ensure responsibilities for collection, deposit preparation, and reconciliation functions are segregated from those for recording and accounting for cash receipts. The Clerks in the office do the bulk of the receipting in from customers, including cash receipts. The Deputies do the majority of the daily balancing. The Treasurer continues to look over the receipts at minimum, monthly, to ensure all is proper. The Treasurer utilizes staff to open the mail that do not have access to the financial programs.

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

II-B-21 Financial Reporting
(2021-002)

Criteria – A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the County’s financial statements.

Condition – Material amounts of receivables, payables and transfers were not properly recorded in the County’s financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

Cause – County policies do not require and procedures have not been established to require independent review of year-end cut-off transactions and transfers to ensure the County’s financial statements are accurate and reliable.

Effect – Lack of policies and procedures resulted in County employees not detecting the errors in the normal course of performing their assigned functions. As a result, material adjustments to the County’s financial statements were necessary.

Recommendation – The County should implement procedures to ensure all receivables and payables are identified and properly included in the County’s financial statements. Additionally, the County should implement procedures to ensure all transfers are properly recorded in the County’s financial statements.

Dickinson County

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

Response – Every attempt will be made to properly include and record receivables and payables within the same guidelines, so that they are reflected in the financial statement and will ensure transfers are properly recorded. We will continue to collaborate with all Departments to ensure these requirements are met, reducing these omissions in the Financial Report.

Conclusion – Response accepted.

II-C-21 Capital Assets
(2021-003)

Criteria – An effective internal control system provides for internal controls related to the proper accounting for capital assets by maintaining appropriate accounting records.

Condition – Certain additions were not properly recorded on the asset listing. Adjustments were subsequently made by the County to properly record material asset additions.

Cause – While the County has developed a form for departments to communicate capital asset addition and deletion information to the County Auditor, the forms were not prepared or were not prepared timely to properly report capital asset additions.

Effect – Lack of following established procedures resulted errors in the capital asset listing.

Recommendation – The capital asset forms should be completed by the departments for all asset additions and deletions and returned to the County Auditor timely to facilitate maintained a complete and accurate capital asset listing.

Response – The County staff has now formed a better understanding as to how the financial program works. With help from the Auditor of State's Office, we have a deeper understanding as to the requirements needed for the audit. Additionally, the County will strive to develop a capital asset policy that will ensure that deletions, additions, and values are updated in a timely manner. We will develop a two-step verification going forward and place more burden on individual offices.

Conclusion – Response accepted.

II-D-21 Overtime Policy
(2021-004)

Criteria – The County's overtime policy allows non-exempt employees to receive overtime pay at a rate of one and one half times the hourly rate for any hours in excess of 40 hours per week including hours of pay for vacation, holidays and sick leave. Employees have the option of either being paid out for overtime compensation or banking the hours to be used for compensation time off.

Additionally, the policy states hours which are not used by June 15th are to be paid for in cash in the last paycheck or fifty percent of the compensation time balance may be carried over to July 1st at the employee's request. The maximum number of hours which can be accumulated and used during the year is 64 hours.

Dickinson County

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

Condition – Non-exempt and exempt employees are receiving compensation time. Seven employees had compensation time balances greater than 64 hours at June 30, 2021 and 18 employees used more than 64 hours of compensation time during the year.

Cause – The overtime policy refers to employees and non-exempt employees. However, the policy is not clear if it applies to both non-exempt and exempt employees. In addition, the overtime policy does not specify if the maximum of 64 hours which can be accumulated and used include compensation hours rolled forward from the previous fiscal year. Also, the County is not following the overtime policy regarding compensation time used.

Effect – Employees may be accruing and using more compensation time hours than allowed by the policy. In addition, because the policy is not clear on exempt and non-exempt employees, it is not clear who is eligible to earn and use compensation time. Accordingly, the County may be allowing employees to earn or be paid for compensation time they are not eligible to receive. This would result in an additional liability or expense to the County.

Recommendation – The County should review the overtime policy to ensure employees covered and hours accumulated are clearly defined. The County should follow their policy and ensure employees are not using more compensation time hours than allowed.

Response – The County will schedule a Department Head/Supervisor meeting in the upcoming future to address the inconsistencies with the policy language regarding overtime and compensation time as it is not clearly stated nor understood. Additionally, we will engage with legal counsel regarding the language in the policy as it stands today, and its lack of clarity and definition of exempt and non-exempt employees and those that are eligible for overtime and compensation time. After the language is better clarified, we will meet with the departments to further explain the policy change.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

Dickinson County

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

Part III: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCY:

No material weaknesses in internal control over major programs were noted.

Dickinson County

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

Part IV: Other Findings Related to Required Statutory Reporting:

IV-A-21 Certified Budget – Disbursements during the year ended June 30, 2021 did not exceed the amounts budgeted. However, disbursements in certain departments exceeded the amount appropriated prior to amendment.

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

Response – The County will make every effort to comply with Iowa Code Chapter 331.434(6) by not allowing disbursements to exceed the appropriation prior to amendment. We understand that the Board, by passing a resolution, may increase or decrease departmental appropriations as long as the function does not go over the budgeted amount.

Conclusion – Response accepted.

IV-B-21 Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.

IV-C-21 Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

IV-D-21 Business Transactions – Business transactions between the County and County officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Brandon Vodraska, Deputy Sheriff, Owner of 911 Installs LLC	Vehicle equipment installs/uninstalls	\$ 10,714

In accordance with Chapter 331.342(2)(c) of the Code of Iowa, the transactions with 911 Installs LLC may represent a conflict of interest since the transactions totaled more than \$6,000 during the year and the transactions were not competitively bid.

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

Response – Beginning in fiscal year 2022, we will put these services out for bid.

Conclusion – Response accepted.

IV-E-21 Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. However, the amount of all bonds should be periodically reviewed to ensure the coverage is adequate for current operations.

Dickinson County

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

- IV-F-21 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-G-21 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County’s investment policy were noted.
- IV-H-21 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).
- IV-I-21 Annual Urban Renewal Report – The Annual Urban Renewal Report was approved and certified to the Iowa Department of Management by December 1 and no exceptions were noted.
- IV-J-21 Financial Condition – The Special Revenue, Drainage District fund had a deficit cash balance of \$719,166 at June 30, 2021. This violates Chapter 331.476 of the Code of Iowa.

In addition, the Special Revenue, Drainage District fund had a deficit fund balance of \$727,819 at June 30, 2021.

Recommendation – Claims should not be approved for payment when funds are not available.

The County should investigate alternatives to eliminate the deficit fund balances to return the fund to a sound financial position.

Response – The Special Revenue, Drainage Districts Fund deficit will be eliminated from the collection of future assessments. The drainage deficit was a result of a large claim which was to have been paid by stamped warrants and in fiscal year 2019 several other drainage districts added to the deficit. The districts are all old and, in a position, that all need reclassification prior to the districts being billed out. The largest deficit is joint with three other counties and was assessed in September 2020.

Conclusion – Response accepted.

- IV-K-21 Tax Increment Financing (TIF) Indebtedness Certification – Chapter 403.19 of the Code of Iowa provides a municipality shall certify loans, advances, indebtedness and bonds (indebtedness) to the County Auditor. Such certification makes it a duty of the County Auditor to provide for the division of property tax to repay the certified indebtedness and, as such, the County Auditor shall provide available incremental property tax in subsequent fiscal years without further certification until the amount of certified indebtedness is paid. Indebtedness incurred is to be certified to the County Auditor and then the divided property tax is to be used to pay the principal and interest on the certified indebtedness.

The County Auditor has not prepared a reconciliation of tax increment financing revenues (TIF) remitted to the amount of debt certified for the urban renewal areas of the cities within the County. This reconciliation helps ensure the TIF revenues remitted to the cities does not exceed the TIF debt certified by the cities.

Dickinson County

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

Recommendation – The County Auditor should annually prepare a reconciliation of tax increment financing remitted to the amount of debt certified for all urban renewal areas within the County.

Response – With the help of the area cities, the County Auditor will work to prepare annual reconciliations of tax increment financing for each city.

Conclusion – Response accepted.

IV-L-21 Donations – During the year ended June 30, 2021, the County donated \$500 to the Iowa Natural Heritage Foundation.

The Constitution of the State of Iowa prohibits governmental bodies from making a gift to a private non-profit corporation. Article III, Section 31 of the Constitution of the State of Iowa states, "...no public money or property shall be appropriated for local or private purposes, unless such appropriation, compensation, or claim, be allowed by two thirds of the members elected to each branch of the General Assembly."

At least six official Iowa Attorney General Opinions since 1972 have consistently concluded that "a governmental body may not donate public funds to a private entity, even if the entity is established for charitable educational purposes and performs work which the government count perform directly. The Opinions further state, "Even if the function of a private non-profit corporation fits within the scope of activities generally recognized as serving a public purpose, a critical question exists regarding whether funds or property transferred to a private entity will indeed be used for those public purposes."

Political subdivisions and municipalities, including cities, counties, schools and townships are municipal – governmental – entities. As governmental entities they are governed by elected bodies, are directly responsible to the public as a whole, and are subject to the limitations imposed on them by the state. Although a private organization may be formed to provide and support 'public' services which are the same or similar to the services provided by government, the private organizations are not subjected to the same degree of public accountability and oversight as governmental entities."

Recommendation – We are not aware of any statutory authority for the County to donate public funds to private non-profit organizations. The County should immediately cease making future such donations. If appropriate, the County could enter a contract with the foundation for the provision of services that clearly documents the public purpose served and ensures that the use of the public dollars are reviewable under the contract.

Response – We will not make donations in the future.

Conclusion – Response accepted.

IV-M-21 Restricted Donor Activity – No transactions were noted between the County, County officials, County employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

Dickinson County

Staff

This audit was performed by:

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