OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 281-6518

Rob Sand
Auditor of State

NEWS RELEASE

		Contact: Ernest Ruben
FOR RELEASE	March 27, 2023	515/281-5834

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

FINANCIAL HIGHLIGHTS:

The County's revenues totaled $51,345,489 for the year ended June 30, 2022, a 1.1% increase over the prior year. Expenses for County operations for the year ended June 30, 2022 totaled $40,954,793, a 2.5% decrease from the prior year. The increase in the revenues is due primarily to an increase in local option sales tax revenue. This was offset due to an increase in unrealized loss on investments. The decrease in expenses is due primarily to a decrease in expenses related to the new law enforcement center, which was opened in fiscal year 2022.

AUDIT FINDINGS:

Sand reported twelve findings related to the receipt and expenditure of taxpayer funds. They are found on pages 98 through 108 of this report. The findings address issues such as lack of segregation of duties, material amounts of receivables, deferred inflows of resources and accounts and salaries payables not properly recorded in the County's financial statements, disbursements exceeding the budget, and questionable disbursements. Sand provided the County with recommendations to address each of these findings.

Five of the findings discussed above are repeated from the prior year. The County Board of Supervisors and other County 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.

# # #

DALLAS COUNTY

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

JUNE 30, 2022

Dallas County

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 281-6518

March 21, 2023

Officials of Dallas County
Adel, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for Dallas County for the year ended June 30, 2022. 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 Dallas 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,

Rob Sand
Auditor of State

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(Continued)

Dallas County

Officials

Name	Title	Term Expires
Kim Chapman	Board of Supervisors	Jan 2023
Brad Golightly	Board of Supervisors	Jan 2023
Mark Hanson	Board of Supervisors	Jan 2025
Julia Helm	County Auditor	Jan 2025
Mitchell Hambleton	County Treasurer	Jan 2023
Chad C. Airhart	County Recorder	Jan 2023
Chad Leonard	County Sheriff	Jan 2025
Charles Sinnard	County Attorney	Jan 2023
Steve C. Helm	County Assessor	Jan 2028

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Des Moines, Iowa 50319-0006

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Rob Sand
Auditor of State

Independent Auditor's Report

To the Officials of Dallas County:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Dallas County, Iowa, as of and for the year ended June 30, 2022, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Dallas County as of June 30, 2022 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Dallas County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 16 to the financial statements, Dallas County adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Dallas County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Dallas County’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Dallas County’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County’s Proportionate Share of the Net Pension Liability (Asset), 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 73 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 auditing standards generally accepted in the United States of America, 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 Dallas 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, 2021 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 9, 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.

Such 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. The 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 auditing standards generally accepted in the United States of America. In our opinion, the supplementary information in Schedules 1 through 9 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 March 21, 2023 on our consideration of Dallas 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 Dallas County's internal control over financial reporting and compliance.

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

March 21, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of Dallas County's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2022. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2022 FINANCIAL HIGHLIGHTS

- The County implemented Governmental Accounting Standards Board Statement (GASBS) No. 87, Leases, during fiscal year 2022. The implementation of this standard revised certain asset and liability accounts related to leases, however had no effect on the beginning net position for governmental activities.

- Revenues of the County's governmental activities increased approximately $547,000 over fiscal year 2021 to fiscal year 2022, or 1.1%. Capital grants, contributions and restricted interest increased approximately $2,209,000, charges for service decreased approximately $444,000 and operating grants, contributions and restricted interest decreased approximately $1,289,000.

- Program expenses of the County's governmental activities were 2.5%, or approximately $1,035,000, less in fiscal year 2022 than in fiscal year 2021. Mental health function expenses increased approximately $638,000, or 22.0%, over fiscal year 2021. Public safety expenses decreased approximately $1,113,000, or 7.0%, from fiscal year 2021.

- The County's net position at June 30, 2022 increased 9.0%, or approximately $10,310,000, over June 30, 2021.

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 Dallas 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 Dallas 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 Dallas 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 (asset) 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 Internal Service and Custodial Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the County.

REPORTING DALLAS COUNTY AS A WHOLE

Government-wide Financial Statements

One of the most important questions asked about Dallas County's finances is, "Is Dallas 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 and Secondary Roads, 3) the Debt Service Fund and 4) the Capital Projects 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) Proprietary Funds account for the County's Internal Service, Professional Services and Employee Group Health Funds. 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 custodial 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

	June 30, 2022	June 30, 2021
Current and other assets	$ 93,800,149	76,335,818
Capital assets	105,741,223	103,695,715
Total assets	199,541,372	180,031,533
Deferred outflows of resources	2,785,580	3,649,436
Long-term liabilities	25,596,528	37,171,793
Other liabilities	13,657,823	3,604,764
Total liabilities	39,254,351	40,776,557
Deferred inflows of resources	37,186,721	27,409,228
Net position:		
Net investment in capital assets	83,486,106	79,845,715
Restricted	18,590,596	15,961,992
Unrestricted	23,809,178	19,687,477
Total net position	$ 125,885,880	115,495,184

Dallas County's combined net position (which is the County's bottom line) increased $10,390,696, a 9.0% increase.

The largest portion of Dallas 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 $3.6 million, or 4.6%, over the prior year.

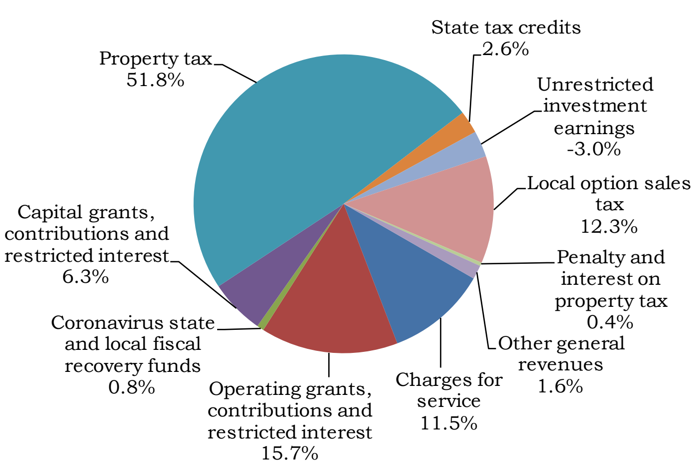
Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they may be used. This net position category increased approximately $2.6 million, or 16.5% over the prior year, primarily due to increased funds on hand at year end in the Special Revenue, Rural Services and Secondary Roads funds and the Capital Projects Fund.

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 from approximately $19,687,000 at June 30, 2021 to approximately $23,809,000 at the end of this year, an increase of 20.9%. This increase is primarily due to an increase in committed funds for capital projects available at year end.

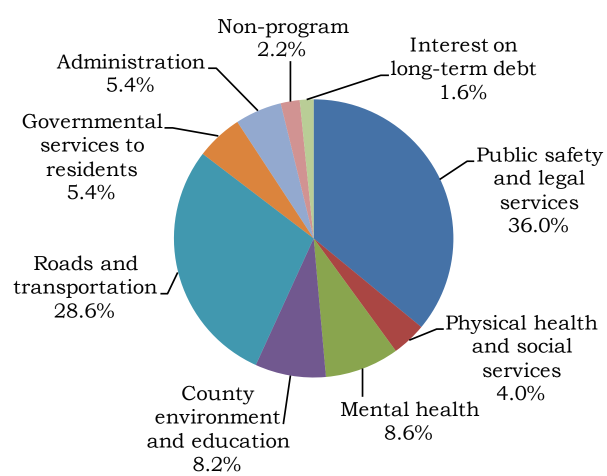
Changes in Net Position of Governmental Activities

	Year ended June 30, 2022	2021
Revenues:		
Program revenues:		
Charges for service	$ 5,920,170	6,363,818
Operating grants, contributions and restricted interest	8,078,163	9,366,671
Capital grants, contributions and restricted interest	3,215,064	1,006,556
General revenues:		
Property tax	26,596,125	26,343,316
Penalty and interest on property tax	187,569	272,044
State tax credits	1,310,095	1,374,182
Local option sales tax	6,329,362	5,169,425
Coronavirus state and local fiscal recovery funds	417,816	-
Unrestricted investment earnings	(1,533,954)	500,481
Other general revenues	825,079	401,801
Total revenues	51,345,489	50,798,294
Program expenses:		
Public safety and legal services	14,710,800	15,823,318
Physical health and social services	1,626,131	1,889,157
Mental health	3,539,980	2,901,708
County environment and education	3,363,262	3,371,079
Roads and transportation	11,714,600	11,524,648
Governmental services to residents	2,218,892	2,400,172
Administration	2,215,409	2,234,263
Non-program	892,917	1,102,725
Interest on long-term debt	672,802	742,267
Total expenses	40,954,793	41,989,337
Change in net position	10,390,696	8,808,957
Net position beginning of year	115,495,184	106,686,227
Net position end of year	$ 125,885,880	115,495,184

Revenues by Source



Expenses by Program



For the year ended June 30, 2022, governmental activities revenues totaled $51,345,489, an increase of $547,195 over fiscal year 2021. Property and other county tax revenue, the County's largest revenue source, increased approximately $253,000, or 1.0%. The increase in property tax revenues is due to a decrease in the county-wide levy rate offset by an increase in property valuations.

The County's operating grants, contributions and restricted interest decreased approximately $1,289,000, primarily due to CARES Act funds received in FY2021. Capital grants, contributions, and restricted interest increased approximately $2,209,000, primarily due to contributed capital from the Iowa DOT and trail expansion projects. Also, charges for services decreased approximately $444,000, due to a decrease in recorder's and weapons permit fees.

The cost of all governmental activities this year was $40,954,793 compared to $41,989,337 last year, a decrease of $1,034,544. However, as shown in the Statement of Activities on page 19, the amount taxpayers ultimately financed for these activities was approximately $23.7 million because some of the cost was paid by those directly benefitting from the programs (approximately $5.9 million) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately $11.3 million).

Dallas County's county-wide property tax levy rates decreased from $6.08340 to $5.85460 per $1,000 of taxable valuation for fiscal year 2022. The general basic levy rate for fiscal year 2022 decreased from $3.01466 to $2.87127 per $1,000 of taxable valuation for fiscal year 2022. The rural services tax levy rate for fiscal year 2022 increased from $2.38109 to $2.39342 per $1,000 of taxable valuation. The mental health levy decreased from $0.36259 to $0.28704 per $1,000 of taxable valuation. The debt service levy decreased from $0.32506 to $0.30287 per $1,000 of taxable valuation. The total county-wide taxable property valuation increased $455,893,602, or 7.1%, over the prior year.

MAJOR FUND ANALYSIS AND HIGHLIGHTS

As Dallas County completed the year, its governmental funds reported a combined fund balance of $42,040,872, which is greater than the fiscal year 2021 combined fund balance of $39,989,530.

The General Fund's ending fund balance decreased from $17,865,465 to $16,690,684, primarily due to a decrease in federal grants related to the pandemic allocated to the County for public safety and public health payroll. Expenditures increased approximately $1,523,000, or 6.6%. Of the ending fund balance, approximately $483,000 is committed for County farm and approximately $1.4 million is committed for other County purposes.

The Special Revenue, Mental Health Fund balance at year end decreased approximately $505,000 from the prior year end. For the year, expenditures totaled approximately $3,540,000, an increase of 26.6% over the prior year, primarily due to the elimination of this fund at June 30, 2022. The County was required by Senate File 619 to transfer the remaining fund balance to the Heart of Iowa Mental Health Region prior to June 30, 2022.

The Special Revenue, Rural Services Fund ended fiscal year 2022 with a $4,873,188 balance, an increase of $1,896,689 over the prior year ending balance. The rural services tax levy rate increased from $2.38109 to $2.39342 per $1,000 of taxable valuation while property valuations increased approximately 6.2%. The majority of the property tax is transferred to the Special Revenue, Secondary Roads Fund. The balance is used for rural contributions for libraries and sanitary disposal projects.

The Special Revenue, Secondary Roads Fund ended fiscal year 2022 with a balance of $6,091,200 an 8.2% decrease compared to the fiscal year 2021 balance of $6,632,449. Revenues decreased approximately $346,000, or 6.5%, due to a decrease in road use tax revenues. Expenditures increased 14.1%, or approximately $1,397,000, over the prior year primarily due to an increase in capital projects costs.

The Debt Service Fund ended fiscal year 2022 with a fund balance of $565,464 compared to the fiscal year 2021 balance of $507,852, an 11.3% increase. Debt Service Fund revenues totaled approximately $2,372,000, a decrease of 1.4% from the prior year. Expenditures totaled approximately $2,315,000, a decrease of $8,201 from the prior year.

The Capital Projects Fund ended fiscal year 2022 with a fund balance of $10,266,909 compared to the fiscal year 2021 balance of $8,121,920, a 26.4% increase, due to the County providing funding for related ongoing and future construction projects. Revenues increased approximately $148,000 due to an increase in bike trail grants and donations. Expenditures decreased approximately $50,000, or 2.0%, primarily due to less construction costs in the current year.

BUDGETARY HIGHLIGHTS

Over the course of fiscal year 2022, Dallas County amended the operating budget two times. The first amendment was made in November 2021 to increase budgeted disbursements approximately $2,948,000, for most functions. Budgeted disbursements increased as the Board of Supervisors budgeted certain previously assigned and unspent funds for projects in the prior year. The second amendment was made in May 2022 to increase budgeted disbursements approximately $1,797,000 for various increases in project costs made throughout the year, including an increase in public safety and legal services, county environment and education, and capital projects.

Actual disbursements for the year totaled $43,158,235 which was $11,326,227 under budgeted disbursements. Capital projects disbursements were approximately $6.5 million under budget because certain capital project for trails and building renovations were not completed as planned. Public safety and legal services disbursements were approximately $2.3 million under budget due to carrying forward of capital equipment purchases. Actual receipts for fiscal year 2022 were $57,493,267, which was $12,829,027 more than the final budget.

Even with the budget amendments, the County exceeded the budgeted amount in the mental health function for the year ended June 30, 2022. The County transferred the ending mental health fund balance per Senate File 619 to Heart of Iowa Community Services without budgeting for this activity.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022, Dallas County had $105,741,223 invested in a variety of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This compares to $103,741,001 at the end of fiscal year 2021. The County's net capital assets increased $2,045,508, or 2.0%, over the prior year.

Capital Assets of Governmental Activities at Year End

	June 30, 2022	2021 (As Restated) *
Land	$ 7,472,325	7,080,170
Intangibles, road network	997,235	953,380
Construction in progress	2,475,911	323,623
Buildings and improvements	46,661,085	47,172,074
Equipment and vehicles	8,702,965	8,274,058
Right-to-use leased equipment	43,983	45,286
Intangibles	236,094	329,459
Infrastructure	39,151,625	39,562,951
Total	$ 105,741,223	103,741,001
This year's major additions included:		
Law enforcement center equipment		$ 487,615
Bike trail expansion		1,569,068
Courthouse remodel and building		322,504
Sportsmans Park Lodge		119,155
Carriage House Restoration		187,169
Conservation vehicles		208,163
IT equipment		265,072
Secondary Roads equipment		579,855
Land		450,120
Ambulance		180,944
Sheriff vehicles		209,801
Total		$ 4,579,466

* Beginning capital assets were restated to implement GASB Statement No. 87, Leases.

More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

Long-Term Debt

At June 30, 2022, Dallas County had $23,959,593 of outstanding debt versus $22,304,507 last year, a net decrease of $1,655,086.

Outstanding Debt of Governmental Activities at Year-End

	June 30, 2022	2021 (As Restated)
General obligation capital loan notes	$ 22,210,000	23,850,000
Lease agreements	45,117	45,286
Drainage district warrants	49,390	64,307
Total	$ 22,304,507	23,959,593

The net change in outstanding debt is primarily due to scheduled payments on the County's general obligation notes and a decrease in drainage warrants. Article XI, Section 3 of the Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the actual value of all taxable property within the County's corporate limits. Dallas County's outstanding general obligation debt is significantly below its constitutional debt limit ($11,964,585,385 X .05 = $598,229,269). Additional information about the County's long-term debt is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Dallas County's elected and appointed officials and citizens considered numerous issues when setting the fiscal year 2023 budget, tax rates and the fees charged for various County activities. One of those factors is the economy. In an ongoing effort to maintain County services without raising tax levies, the Dallas County Board of Supervisors is committed to limiting disbursement increases and using any excess fund balances to provide services.

Dallas County is the fastest growing county in Iowa. It was ranked 4th in the nation for growth between 2010 and 2020 with a 50.7% increase in population. The unemployment rate in Dallas County stands at 2.0% as of June 30, 2022, compared to last year's rate of 3.4%, the State average of 2.6% and the national average of 3.6%. The decrease in the unemployment rate from the prior year is due to COVID-19 impact on employees. Budgeted disbursements for the fiscal year 2023 operating budget are approximately $48.6 million, an increase of about $5.5 million in spending over the prior year's actual disbursements, primarily due to an increase in capital projects and public safety and legal services functions for sheriff equipment, admin building, high trestle trail, and courthouse exterior projects. The budget estimates a total ending fund balance of approximately $25.6 million at the close of fiscal year 2023.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Dallas 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 Rob Tietz at the Operations Administration Office, 902 Court Street, Adel, Iowa 50003.

Dallas County

Basic Financial Statements

Dallas County

Statement of Net Position

June 30, 2022

	Governmental Activities
Assets	
Cash, cash equivalents and pooled investments	$ 57,992,463
Receivables:	
Property tax:	
Delinquent	12,533
Succeeding year	25,242,000
Interest and penalty on property tax	33,098
Accounts	389,405
Opioid settlement	1,138,920
Accrued interest	130,381
Drainage assessments	44,341
Due from other governments	3,218,695
Lease receivable	65,561
Inventories	467,990
Prepaid items	514,990
Capital assets not being depreciated	10,945,471
Capital assets, net of accumulated depreciation/amortization	94,795,752
Net pension asset	4,549,772
Total assets	199,541,372
Deferred Outflows of Resources	
Pension related deferred outflows	2,503,097
OPEB related deferred outflows	282,483
Total deferred outflows of resources	2,785,580
Liabilities	
Accounts payable	2,138,755
Accrued interest payable	59,979
Salaries and benefits payable	1,309,734
Due to other governments	1,066,015
Unearned revenue	9,083,340
Long-term liabilities:	
Portion due or payable within one year:	
Lease agreements	27,302
General obligation capital loan notes	1,700,000
Drainage district warrants	49,390
Compensated absences	729,383
Total OPEB liability	114,386
Portion due or payable after one year:	
Lease agreements	17,815
General obligation capital loan notes	20,510,000
Compensated absences	1,088,097
Total OPEB liability	1,360,155
Total liabilities	39,254,351
Deferred Inflows of Resources:	
Lease related	65,561
Unavailable property tax revenue	25,242,000
Pension related deferred inflows	11,324,754
OPEB related deferred inflows	554,406
Total deferred inflows of resources	37,186,721
Net Position	
Net investment in capital assets	83,486,106
Restricted for:	
Supplemental levy purposes	87,244
Rural services purposes	4,873,690
Secondary roads purposes	6,619,061
Drainage district purposes	84,334
Debt service	506,577
Capital projects	1,345,027
Opioid abatement	1,138,920
Other purposes	3,935,743
Unrestricted	23,809,178
Total net position	$ 125,885,880

See notes to financial statements.

Dallas County

Statement of Activities

Year ended June 30, 2022

	Expenses	Program Revenues: Charges for Service	Program Revenues: Operating Grants, Contributions and Restricted Interest	Program Revenues: Capital Grants, Contributions and Restricted Interest	Net (Expense) Revenue and Changes in Net Position
Functions/Programs:					
Governmental activities:					
Public safety and legal services	$ 14,710,800	1,628,343	496,786	-	(12,585,671)
Physical health and social services	1,626,131	116,994	1,648,844	-	139,707
Mental health	3,539,980	-	783,787	-	(2,756,193)
County environment and education	3,363,262	322,743	234,085	908,645	(1,897,789)
Roads and transportation	11,714,600	52,726	4,896,811	2,306,419	(4,458,644)
Governmental services to residents	2,218,892	2,742,302	1,542	-	524,952
Administration	2,215,409	82,483	11,771	-	(2,121,155)
Non-program	892,917	974,579	-	-	81,662
Interest on long-term debt	672,802	-	4,537	-	(668,265)
Total	$ 40,954,793	5,920,170	8,078,163	3,215,064	(23,741,396)
General Revenues:					
Property and other county tax levied for:					
General purposes					24,343,369
Debt service					2,252,756
Penalty and interest on property tax					187,569
State tax credits					1,310,095
Local option sales tax					6,329,362
Coronavirus state and local fiscal recovery funds					417,816
Unrestricted investment earnings					(1,533,954)
Gain on disposition of capital assets					613,402
Miscellaneous					211,677
Total general revenues					34,132,092
Change in net position					10,390,696
Net position beginning of year					115,495,184
Net position end of year					$ 125,885,880

See notes to financial statements.

Dallas County

Balance Sheet
Governmental Funds

June 30, 2022

			Special Revenue	
		General	Rural Services	Secondary Roads
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	$	27,421,404	4,638,972	6,162,480
Conservation Foundation		-	-	-
Receivables:				
Property tax:				
Delinquent		10,939	502	-
Succeeding year		19,994,000	2,979,000	-
Interest and penalty on property tax		33,098	-	-
Accounts, net of allowance for doubtful ambulance accounts of $226,647		141,732	-	81,299
Opioid settlement		-	-	-
Accrued interest		127,154	-	-
Drainage assessments		-	-	-
Due from other governments		425,675	244,536	1,247,872
Lease receivable		65,561	-	-
Inventories		-	-	467,990
Prepaid items		226,159	-	55,944
Total assets	$	48,445,722	7,863,010	8,015,585

Debt Service	Capital Projects	Nonmajor	Total
565,289	10,264,292	3,047,102	52,099,539
-	-	504,799	504,799
1,092	-	-	12,533
2,269,000	-	-	25,242,000
-	-	-	33,098
-	100	-	223,131
-	-	1,138,920	1,138,920
175	433	514	128,276
-	-	44,341	44,341
-	193,435	10,000	2,121,518
-	-	-	65,561
-	-	-	467,990
-	-	1,510	283,613
2,835,556	10,458,260	4,747,186	82,365,319

(Continued on next page)

Dallas County

Balance Sheet
Governmental Funds
(continued)
June 30, 2022

		Special Revenue	
	General	Rural Services	Secondary Roads
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	$ 478,039	9,910	674,752
Salaries and benefits payable	1,007,516	-	216,149
Due to other governments	944,058	410	115,587
Unearned revenue	9,083,340	-	-
Total liabilities	11,512,953	10,320	1,006,488
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	19,994,000	2,979,000	-
Other	182,524	502	917,897
Lease related	65,561	-	-
Total deferred inflows of resources	20,242,085	2,979,502	917,897
Fund balances:			
Nonspendable:			
Inventories	-	-	467,990
Prepaid items	226,159	-	55,944
Restricted for:			
Rural services purposes	-	4,873,188	-
Secondary roads purposes	-	-	5,567,266
Drainage district purposes	-	-	-
Conservation purposes	133,028	-	-
Debt service	-	-	-
Capital projects	-	-	-
Forfeitures	-	-	-
Wetland bank maintenance	-	-	-
Other purposes	328,671	-	-
Committed for:			
County conservation	1,040,124	-	-
County farm	483,060	-	-
County care facility	182,937	-	-
Jail commissary	224,003	-	-
Assigned for:			
Capital projects	-	-	-
Departmental purposes	707,065	-	-
Equipment	1,023,445	-	-
Unassigned	12,342,192	-	-
Total fund balances	16,690,684	4,873,188	6,091,200
Total liabilities, deferred inflows of resources and fund balances	$ 48,445,722	7,863,010	8,015,585

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
-	191,351	498	1,354,550
-	-	-	1,223,665
-	-	-	1,060,055
-	-	-	9,083,340
-	191,351	498	12,721,610
2,269,000	-	-	25,242,000
1,092	-	1,193,261	2,295,276
-	-	-	65,561
2,270,092	-	1,193,261	27,602,837
-	-	-	467,990
-	-	1,510	283,613
-	-	-	4,873,188
-	-	-	5,567,266
-	-	89,383	89,383
-	-	1,657,565	1,790,593
565,464	-	-	565,464
-	1,345,027	-	1,345,027
-	-	124,978	124,978
-	-	1,389,258	1,389,258
-	-	290,733	619,404
-	-	-	1,040,124
-	-	-	483,060
-	-	-	182,937
-	-	-	224,003
-	8,921,882	-	8,921,882
-	-	-	707,065
-	-	-	1,023,445
-	-	-	12,342,192
565,464	10,266,909	3,553,427	42,040,872
2,835,556	10,458,260	4,747,186	82,365,319

Dallas County

Dallas County

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

June 30, 2022

Total governmental fund balances (page 23)		$ 42,040,872
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 capital assets, excluding Internal Service Funds, is $173,450,433 and the accumulated depreciation/amortization is $68,165,485.		105,284,948
Other long-term assets are not available to pay current year expenditures, as follows:		
Deferred inflows of resources	$ 2,295,276	
Net pension asset	4,549,772	6,845,048
The Internal Service Funds are used by management to charge the costs of various services to individual departments and funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.		5,890,476
Pension and OPEB related deferred outflows of resources and deferred inflows of resources, excluding Internal Service Funds, are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	2,618,447	
Deferred inflows of resources	(11,166,413)	(8,547,966)
Long-term liabilities, including general obligation capital loan notes payable, drainage district warrants payable, compensated absences payable, 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.		(25,627,498)
Net position of governmental activities (page 18)		$ 125,885,880

See notes to financial statements.

Dallas County

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

Year ended June 30, 2022

		Special	
	General	Mental Health	Rural Services
Revenues:			
Property and other county tax	$ 19,229,081	1,922,315	3,191,762
Local option sales tax	2,848,213	-	3,481,149
Interest and penalty on property tax	175,760	-	-
Intergovernmental	2,913,857	1,112,191	122,208
Licenses and permits	244,307	-	-
Charges for service	3,739,394	-	-
Use of money and property	(1,459,176)	-	-
Miscellaneous	327,126	-	-
Total revenues	28,018,562	3,034,506	6,795,119
Expenditures:			
Operating:			
Public safety and legal services	14,987,209	-	-
Physical health and social services	1,912,639	-	-
Mental health	-	3,539,980	-
County environment and education	2,854,342	-	228,484
Roads and transportation	-	-	50,713
Governmental services to residents	2,467,187	-	-
Administration	2,279,841	-	-
Non-program	11,325	-	-
Debt service	-	-	-
Capital projects	-	-	-
Total expenditures	24,512,543	3,539,980	279,197
Excess (deficiency) of revenues over (under) expenditures	3,506,019	(505,474)	6,515,922
Other financing sources (uses):			
Transfers in	7,850	-	-
Transfers out	(4,711,429)	-	(4,619,233)
Lease agreements	22,779	-	-
Drainage warrants issued	-	-	-
Total other financing sources (uses)	(4,680,800)	-	(4,619,233)
Change in fund balances	(1,174,781)	(505,474)	1,896,689
Fund balances beginning of year	17,865,465	505,474	2,976,499
Fund balances end of year	$ 16,690,684	-	4,873,188

See notes to financial statements.

Revenue				
Secondary Roads	Debt Service	Capital Projects	Nonmajor	Total
-	2,252,810	-	-	26,595,968
-	-	-	-	6,329,362
-	-	-	-	175,760
5,003,928	115,080	936,895	37,475	10,241,634
210	-	-	-	244,517
-	-	24,339	28,587	3,792,320
-	4,537	3,401	46,218	(1,405,020)
4,866	-	61,781	124,036	517,809
5,009,004	2,372,427	1,026,416	236,316	46,492,350
-	-	-	14,915	15,002,124
-	-	-	-	1,912,639
-	-	-	-	3,539,980
-	-	-	20,598	3,103,424
10,043,907	-	-	-	10,094,620
-	-	-	2,161	2,469,348
-	-	-	-	2,279,841
-	-	-	-	11,325
-	2,314,815	-	19,311	2,334,126
1,287,008	-	2,431,427	-	3,718,435
11,330,915	2,314,815	2,431,427	56,985	44,465,862
(6,321,911)	57,612	(1,405,011)	179,331	2,026,488
5,780,662	-	3,550,000	-	9,338,512
-	-	-	(7,850)	(9,338,512)
-	-	-	-	22,779
-	-	-	2,075	2,075
5,780,662	-	3,550,000	(5,775)	24,854
(541,249)	57,612	2,144,989	173,556	2,051,342
6,632,449	507,852	8,121,920	3,379,871	39,989,530
6,091,200	565,464	10,266,909	3,553,427	42,040,872

Dallas County

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

Year ended June 30, 2022

Change in fund balances - Total governmental funds (page 27)		$ 2,051,342
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 exceeded depreciation/amortization expense in the current year, as follows:		
Expenditures for capital assets	$ 5,195,434	
Capital assets contributed by the Iowa Department of Transportation	1,591,663	
Right-to-use leased capital assets	22,779	
Depreciation/amortization expense	(5,428,673)	1,381,203
In the Statement of Activities, the gain on the disposition of capital assets is reported, whereas the governmental funds reports the proceeds from the disposition as an increase in financial resources.		513,142
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	11,966	
Other	1,708,083	1,720,049
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	(24,854)	
Repaid	1,679,940	1,655,086
The current year County IPERS contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position.		1,472,482
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	(127,030)	
Interest on long-term debt	4,332	
Pension expense	1,181,956	
OPEB expense	(96,389)	962,869
The Internal Service Funds are used by management to charge the costs of various services to individual departments and funds. The decrease in net position of the Internal Service Funds is included in governmental activities in the Statement of Net Position.		634,523
Change in net position of governmental activities (page 19)		$ 10,390,696

See notes to financial statements.

Dallas County

Statement of Net Position
Proprietary Funds

June 30, 2022

	Internal Service
Assets	
Cash and pooled investments	$ 5,388,125
Accounts receivable	166,274
Accrued interest receivable	2,105
Prepaid expenditures	231,377
Due from other governments	1,097,177
Capital assets, net of accumulated depreciation	456,275
Net Pension	272,986
Total assets	7,614,319
Deferred Outflows of Resources	
OPEB related deferred outflows	16,949
Pension related deferred outflows	150,184
Total deferred outflows	167,133
Liabilities	
Accounts payable	784,205
Salaries and benefits payable	86,069
Due to other governments	5,960
Long-term liabilities:	
Portion due or payable within one year:	
Compensated absences	72,467
Total OPEB liability	6,863
Portion due or payable after one year:	
Compensated absences	141,056
Total OPEB liability	81,609
Total liabilities	1,178,229
Deferred Inflows of Resources	
Unavailable revenues:	
OPEB related deferred inflows	33,264
Pension related deferred inflows	679,483
Total deferred outflows	712,747
Net Position	
Net investment in capital assets	456,275
Nonspendable-prepaid items	231,377
Unrestricted	5,202,824
Total net position	$ 5,890,476

See notes to financial statements.

Dallas County

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

Year ended June 30, 2022

		Internal Service
Operating revenues:		
Reimbursements from operating funds and other governmental units		$ 6,340,142
Reimbursements from employees and others		599,532
Miscellaneous		34,039
Total operating revenues		6,973,713
Operating expenses:		
Medical claims	$ 2,907,751	
Administrative and other fees	477,255	
Central services	808,188	
Information technology	1,238,136	
Operations administration	360,630	
Human resources	398,102	
Depreciation	169,695	6,359,757
Operating loss		613,956
Non-operating revenues:		
Interest income		20,567
Net income		634,523
Net position beginning of year		5,255,953
Net position end of year		$ 5,890,476

See notes to financial statements.

Dallas County

Statement of Cash Flows
Proprietary Funds

Year ended June 30, 2022

		Internal Service
Cash flows from operating activities:		
Cash received from operating funds and other reimbursements	$	6,653,454
Cash paid for personal services		(2,933,212)
Cash paid to suppliers for services		(3,365,112)
Net cash provided by operating activities		355,130
Cash flows from non-capital financing activities:		
Deficit cash elimination from the General Fund		9,382
Cash flows from capital and related financing activities:		
Purchase of equipment		(275,572)
Cash flows from investing activities:		
Interest on investments		21,705
Net increase in cash and cash equivalents		110,645
Cash and cash equivalents beginning of year		5,277,480
Cash and cash equivalents end of year	$	5,388,125
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	$	613,956
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation/amortization		169,695
Changes in assets and liabilities:		
Accounts receivable and due from other governments		(320,259)
Prepaid insurance		9,756
Accounts payable and due to other governments		19,519
Deferred outflows of resources		51,832
Salaries and benefits payable		21,893
Compensated absences		3,849
Net pension liability		(855,199)
Deferred inflows of resources		663,656
Total OPEB liability		(23,568)
Net cash provided by operating activities	$	355,130

See notes to financial statements.

Dallas County

Statement of Fiduciary Net Position
Custodial Funds

June 30, 2022

Assets	
Cash, cash equivalents and pooled investments:	
County Treasurer	$ 7,605,980
Other County officials	375,861
Receivables:	
Property tax:	
Delinquent	131,455
Succeeding year	231,427,000
Accounts	233,943
Special assessments	200,643
Due from other governments	317,303
Prepaid insurance	77,255
Total assets	240,369,440
Liabilities	
Accounts payable	219,270
Salaries and benefits payable	69,142
Due to other governments	5,618,152
Trusts payable	553,003
Compensated absences	75,929
Total liabilities	6,535,496
Deferred Inflows of Resources	
Unavailable Property Tax Revenue	231,427,000
Net Position	
Resticted for individuals, organizations and other governments	$ 2,406,944

See notes to financial statements.

Dallas County

Statement of Changes in Fiduciary Net Position
Custodial Funds

For the Year Ended June 30, 2022

Additions:	
Property and other county tax	$ 220,250,931
911 surcharge	356,675
State tax credits	11,653,569
Office fees and collections	4,654,886
Auto licenses, use tax and postage	46,493,868
Trusts	4,028,867
Miscellaneous	5,522,488
Total additions	292,961,284
Deductions:	
Agency remittances:	
To other funds	2,903,523
To other governments	285,704,930
Trusts paid out	4,028,867
Total deductions	292,637,320
Changes in net position	323,964
Net position beginning of year, as restated	2,082,980
Net Position end of year	$ 2,406,944

See notes to financial statements.

(1) Summary of Significant Accounting Policies

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

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

Eighty-four 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 Dallas County Board of Supervisors. The drainage districts are reported as a Special Revenue Fund. Financial information of the individual drainage districts can be obtained from the Dallas County Auditor's Office.

The Dallas County Conservation Foundation has been incorporated under Chapter 504A of the Code of Iowa to receive donations for the benefit of the Dallas County Conservation Board. These donations are to be used to purchase items not included in the County's budget. The financial activity of the component unit has been blended as a Special Revenue Fund of the County.

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: Dallas County Assessor's Conference Board, Dallas County Emergency Management Commission, the Dallas County Joint 911 Service Board, and the Heart of Iowa Community Services Region. 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 North Dallas Regional Solid Waste Planning Commission and the Dallas County Housing Trust, jointly governed organizations established pursuant to Chapters 28E and 504A, respectively, of the Code of Iowa.

B. Basis of Presentation

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities report information on all 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 often has constraints on resources 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 funds 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 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, 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 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.

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

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 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 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 revenues of the County's Internal Service Funds are charges to customers for sales and services. Operating expenses for Internal Service Funds 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 which is valued at amortized cost 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 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 certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is 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 it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2020 assessed property valuations; is for the tax accrual period July 1, 2021 through June 30, 2022 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2021.

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 amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in not 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.

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. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Reportable capital assets are defined by the County as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Infrastructure	$ 50,000
Intangibles	50,000
Land, buildings and improvements	25,000
Equipment and vehicles	5,000

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, the right to use leased 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	10 - 50
Other improvements	10 - 35
Infrastructure	20 - 65
Equipment	2 - 50
Vehicles	3 - 20
Intangibles	3 - 20

Leases – County as Lessee: Dallas County is the lessee for a noncancellable lease of equipment. The County has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payment expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payment made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how Dallas County determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

Dallas County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and a purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

County as Lessor: Dallas County is a lessor for a noncancellable lease of farmland. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how Dallas County determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts.

Dallas County uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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 and OPEB 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 sick leave hours 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 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 on June 30, 2022. 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 (asset), 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 (asset) 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.

Total OPEB Liability – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on Dallas 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. 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. 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 receivable that will not be recognized until the year for which it is levied.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax which will not be recognized until the year for which it is levied, and unrecognized items not yet charged to pension and OPEB 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.

Committed – Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Supervisors through ordinance or resolution approved prior to year-end. Committed amounts cannot be used for any other purpose unless the Board of Supervisors removes or changes the specified use by taking the same action it employed to commit those amounts.

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 anticipated future catastrophic losses of the County.

E. <u>Budgets and Budgetary Accounting</u>

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2022, disbursements exceeded the amount budgeted in the mental health function. In addition, disbursements exceeded the amounts appropriated prior to an appropriation amendment by the Board of Supervisors and also at year end.

(2) Cash, Cash Equivalents and Pooled Investments

The County's deposits in banks at June 30, 2022 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, 2022, the County had investments in drainage warrants of $49,390.

At June 30, 2022, the County had the following investments in U.S. Government securities.

Investment	Fair Value	Maturity	Credit Risk
Tennessee Valley Authority *	$ 999,807	August 15, 2022	Aaa
US Treasury	119,644	September 8, 2022	NR
Federal Home Loan Bank	998,114	December 9, 2022	Aaa
US Treasury	4,939,150	December 29, 2022	NR
US Treasury	73,945	January 26, 2023	NR
Federal Farm Credit Bank	979,618	April 14, 2023	Aaa
Federal Home Loan Bank	967,247	September 8, 2023	Aaa
US Treasury	247,929	May 31, 2024	NR
Federal Home Loan Bank	975,835	June 14, 2024	Aaa
US Treasury	1,896,250	October 15, 2024	NR
Federal Home Loan Bank	993,833	December 13, 2024	Aaa
Tennessee Valley Authority	936,203	May 15, 2025	Aaa
Federal Agricultural Mortgage Corporation	926,340	September 8, 2025	NR
Federal Home Loan Bank	1,001,859	December 12, 2025	Aaa
Federal Home Loan Bank	929,888	January 16, 2026	Aaa
Federal National Mortgage Association	966,882	April 24, 2026	Aaa
Federal Farm Credit Bank	455,673	September 10, 2026	Aaa
Federal Home Loan Bank	4,577,550	September 29, 2026	Aaa
Federal Farm Credit Bank	989,465	April 12, 2027	Aaa
Federal Farm Credit Bank	906,812	August 23, 2027	Aaa
Federal Farm Credit Bank	900,056	May 10, 2028	Aaa
Federal Farm Credit Bank	891,251	February 26, 2029	Aaa
Federal Farm Credit Bank	863,864	September 3, 2030	Aaa
Federal Farm Credit Bank	856,197	February 18, 2031	Aaa
Federal Farm Credit Bank	861,616	September 2, 2031	Aaa
Federal Farm Credit Bank	857,500	June 1, 2033	Aaa
	$ 30,112,528		

NR - not rated

* The Tennessee Valley Authority (TVA) is a U.S. government agency.

The County uses 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 County's securities was determined using the last reported sales price at current exchange rates. (Level 1 inputs)

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.

Concentration of credit risk – The County places no limit on the amount which may be invested in any one issuer. More than 5.0% of the County's investments are in U.S. Treasury (24.17%) investments. The Federal Home Loan Bank & Mortgage accounts for 63.12% of the County's investments.

(3) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2022 is as follows:

Transfer to	Transfer from	Amount
General	Special Revenues:	
	Conservation Foundation	$ 7,850
Special Revenue:		
Secondary Roads	General	1,161,429
	Special Revenue:	
	Rural Services	4,619,233
		5,780,662
Capital Projects	General	3,550,000
Total		$ 9,338,512

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

(4) Capital Assets

Capital assets activity for the year ended June 30, 2022 was as follows:

	Restated Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	$ 7,080,170	444,427	(52,272)	7,472,325
Intangibles, road network	953,380	43,855	-	997,235
Construction in progress	323,623	4,650,094	(2,497,806)	2,475,911
Total capital assets not being depreciated/amortized	8,357,173	5,138,376	(2,550,078)	10,945,471
Capital assets being depreciated/amortized:				
Buildings	60,740,959	746,583	(58,882)	61,428,660
Improvements other than buildings	1,108,494	-	-	1,108,494
Equipment and vehicles	19,572,626	1,920,413	(724,245)	20,768,794
Equipment and vehicles - internal service	1,558,610	275,572	(406,086)	1,428,096
Right-to-use leased equipment	45,286	22,779	-	68,065
Intangibles	1,013,088	-	-	1,013,088
Infrastructure, road network and other	76,060,210	2,057,651	-	78,117,861
Total capital assets being depreciated/amortized	160,099,273	5,022,998	(1,189,213)	163,933,058
Less accumulated depreciation/amortization for:				
Buildings	14,170,328	1,215,931	(58,882)	15,327,377
Improvements other than buildings	507,051	41,641	-	548,692
Equipment and vehicles	11,648,966	1,584,677	(711,539)	12,522,104
Equipment and vehicles - internal service	1,208,212	169,695	(406,086)	971,821
Right-to-use leased assets	-	24,082	-	24,082
Intangibles	683,629	93,365	-	776,994
Infrastructure, road network and other	36,497,259	2,468,977	-	38,966,236
Total accumulated depreciation/amortization	64,715,445	5,598,368	(1,176,507)	69,137,306
Total capital assets being depreciated/amortized, net	95,383,828	(575,370)	(12,706)	94,795,752
Governmental activities capital assets, net	$ 103,741,001	4,563,006	(2,562,784)	105,741,223

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	$ 1,703,200
Physical health and social services	15,493
Mental health	66,492
County environment and education	761,425
Roads and transportation	2,558,858
Governmental services to residents	27,799
Administration	465,101
Total depreciation/amortization expense - governmental activities	$ 5,598,368

(5) County Farm Lease Receivable

The County owns the Dallas County Farm (Farm). Effective January 1, 2020, the County entered into a three-year noncancelable lease agreement with Des Moines Area Community college (DMACC) whereby DMACC operates the Farm. The County is to receive semi-annual payments of $33,520 with an incremental lending rate of 3.0% with the final payment due January 1, 2023. During the year ended June 30, 2022, the County received principal of $63,638 and interest of $3,402.

Details of the County’s June 30, 2022 lease indebtedness are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 65,561	1,479	67,040

(6) 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, 2022 is as follows:

Fund	Description	Amount
General	Services	$ 944,058
Special Revenue:		
Rural Services	Services	410
Secondary Roads	Services	115,587
Total for government funds		$ 1,060,055
Custodial:		
Heart of Iowa Mental Health Region Collections		$ 297,420
County Assessor		47,705
Schools		405,770
Community Colleges		15,017
Corporations		230,080
City Special Assessments		11,756
Auto License and Use Tax		4,254,783
All other		355,621
Total for agency funds		$ 5,618,152

(7) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2022 is as follows:

	General Obligation Capital Loan Notes	Drainage District Warrants	Lease Agreements	Compensated Absences	Net Pension Liability (Asset)	Total OPEB Liability	Total
Balance beginning of year, restated	$ 23,850,000	64,307	45,286	1,686,601	9,703,550	1,867,335	37,217,079
Increases	-	2,075	22,779	1,074,222	-	220,615	1,319,691
Decreases	1,640,000	16,992	22,948	943,343	14,253,322	613,409	17,490,014
Balance end of year	$ 22,210,000	49,390	45,117	1,817,480	(4,549,772)	1,474,541	21,046,756
Due within one year	$ 1,700,000	49,390	27,302	729,383	-	114,386	2,620,461

Drainage Warrants

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

General Obligation Capital Loan Notes

A summary of the County's June 30, 2022 general obligation capital loan note indebtedness is as follows:

Year Ending June 30,	Communication Equipment and Refunding Issued Nov 17, 2015			Law Enforcement Center Capital Loan Notes Series 2017A Issued Dec 1, 2017		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2023	2.00%	$ 510,000	42,300	2.60-3.05%	$ -	234,072
2024	2.00	525,000	32,100	2.60-3.05	-	234,073
2025	2.00	535,000	21,600	2.60-3.05	-	234,072
2026	2.00	545,000	10,900	2.60-3.05	-	234,073
2027		-	-	2.60-3.05	-	234,072
2028-2032		-	-	2.60-3.05	930,000	1,170,363
2033-2037		-	-	2.60-3.05	7,250,000	654,553
Total		$ 2,115,000	106,900		$ 8,180,000	2,995,278

Year Ending June 30,	Refunding Capital Loan Notes Series 2017B Issued Dec 1, 2017			Law Enforcement Center Capital Loan Notes Series 2018A Issued Jun 21, 2018		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2023	3.00%	$ 150,000	20,728	3.00%	$ 1,040,000	331,415
2024	1.75	155,000	16,228	3.00	1,070,000	300,215
2025	1.90	155,000	13,515	3.00	1,100,000	268,115
2026	2.10	155,000	10,570	3.00	1,135,000	235,115
2027	2.20	160,000	7,315	3.00	1,170,000	201,065
2028-2032	2.30	165,000	3,795	3.00-3.10	5,460,000	456,360
Total		$ 940,000	72,151		$ 10,975,000	1,792,285

Year Ending June 30,	Total		
	Principal	Interest	Total
2023	$ 1,700,000	628,515	2,328,515
2024	1,750,000	582,616	2,332,616
2025	1,790,000	537,302	2,327,302
2026	1,835,000	490,658	2,325,658
2027	1,330,000	442,452	1,772,452
2028-2032	6,555,000	1,630,518	8,185,518
2033-2037	7,250,000	654,553	7,904,553
Total	$ 22,210,000	4,966,614	27,176,614

On November 17, 2015, the County issued $7,125,000 of general obligation capital loan notes with an interest rate of 2.00% per annum. The notes were issued to provide funds to pay costs of acquisition and installation of peace office communication equipment and other emergency services communication equipment and system and refunding of outstanding indebtedness. During the year ended June 30, 2022, the County paid principal of $500,000 and interest of $52,300 on the notes.

On December 1, 2017, the County issued $8,180,000 of general obligation capital loan notes with interest rates ranging from 2.60% to 3.05% per annum. The notes were issued to help pay for designing and constructing a new law enforcement center. During the year ended June 30, 2022, the County paid interest of $234,073 on the notes.

On December 1, 2017, the County issued $1,570,000 of general obligation refunding capital loan notes with interest rates ranging from 1.75% to 3.00% per annum. The notes were issued to refund outstanding indebtedness. During the year ended June 30, 2022, the County paid principal of $135,000 and interest of $24,777 on the notes.

On June 21, 2018, the County issued $14,720,000 of general obligation capital loan notes with interest rate range of 3.00 to 3.20 % per annum. The notes were issued to help pay for design and construction of a new law enforcement center. During the year ended June 30, 2022, the County paid principal of $1,005,000 and interest of $361,565 on the notes.

Lease Agreements

On June 11, 2019, the County entered into a noncancelable lease agreement for four conservation mowers. The agreement requires annual payments of $22,202 over four years with an interest rate of 9.65% and final payment due June 1, 2022. During the year ended June 30, 2022, the County paid principal of $18,466 and interest of $3,736 on the agreement.

On September 10, 2020, the County entered into a noncancelable lease agreement for postage meter machines. The agreement requires monthly payments of $109 for the first twelve months and $139 for the remaining four years with an estimated implicit interest rate of 3.0% and final payment due September 1, 2025. During the year ended June 30, 2022, the County paid principal of $1,415 and interest of $162 on the agreement.

On October 26, 2021, the County entered into a noncancelable lease agreement for postage meter machines. The agreement requires monthly payments of $175 over four years with an estimated implicit interest rate of 3.0% and final payment due October 1, 2025. During the year ended June 30, 2022, the County paid principal of $1,275 and interest of $128 on the agreement.

On December 21, 2021, the County entered into a noncancelable lease agreement for postage meter machines. The agreement requires monthly payments of $328 over four years with an estimated implicit interest rate of 3.0% and final payment due December 1, 2025. During the year ended June 30, 2022, the County paid principal of $1,792 and interest of $174 on the agreement.

Details of the County's June 30, 2022 lease indebtedness paid from the General Fund are as follows:

Year Ending June 30,	Conservation Mowers			Postage Meters Out of General Fund		
	Principal	Interest	Total	Principal	Interest	Total
2023	$ 20,248	1,954	22,202	7,054	648	7,702
2024	-	-	-	7,267	435	7,702
2025	-	-	-	7,488	214	7,702
2026	-	-	-	3,060	24	3,084
Totals	$ 20,248	1,954	22,202	24,869	1,321	26,190

Year Ending June 30,	Total		
	Principal	Interest	Total
2023	$ 27,302	2,602	29,904
2024	7,267	435	7,702
2025	7,488	214	7,702
2026	3,060	24	3,084
Totals	$ 45,117	3,275	48,392

(8) 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 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 2022, 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 9.01% of covered payroll, for a total rate of 18.02%. Protection occupation members contributed 6.21% of covered payroll and the County contributed 9.31% of covered payroll, for a total rate of 15.52%.

The County's contributions to IPERS for the year ended June 30, 2022 totaled $1,566,470.

Net Pension Asset, Pension Expense (Reduction), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2022, the County had an overall net pension asset of $4,549,772 for its proportionate share of the overall plan net pension asset. The overall plan net pension asset was measured as of June 30, 2021. The total plan pension liability used in its calculation of the overall plan net pension asset was determined by an actuarial valuation as of that date. The County's proportion of the overall plan net pension asset was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2021, the County's proportion of the overall plan net pension asset was 1.317908%, which was an increase of 1.179774% over its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the County recognized pension expense (reduction) of $(1,257,396). At June 30, 2022, 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	$ 482,238	164,420
Changes of assumptions	172,762	127,933
Net difference between projected and actual earnings on IPERS' investments	-	10,930,532
Changes in proportion and differences between County contributions and its proportionate share of contributions	281,627	101,869
County contributions subsequent to the measurement date	1,566,470	-
Total	$ 2,503,097	11,324,754

$1,566,470 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 (asset) in the year ending June 30, 2023. 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
2023	$ (2,648,084)
2024	(2,563,420)
2025	(2,359,819)
2026	(2,871,385)
2027	54,581
Total	$ (10,388,127)

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension asset in the June 30, 2021 actuarial valuation was determined using the following actuarial assumption 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, 2021 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 2021 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	6.01
Global smart beta equity	6.0	5.10
Core plus fixed income	26.0	0.29
Public credit	4.0	2.08
Cash	1.0	(0.25)
Private equity	13.0	9.51
Private real assets	7.5	4.63
Private credit	3.0	2.87
Total	100.0%	

Discount Rate – The discount rate used to measure the total pension asset 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 asset.

Sensitivity of the County's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension liability (asset) 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	$ 5,394,014	(4,549,772)	(12,878,950)

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, 2022.

(9) 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 Dallas 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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	12
Active employees	287
Total	299

Total OPEB Liability – The County's total OPEB liability of $1,474,541 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2022)	3.25% per annum.
Rates of salary increase (effective June 30, 2022)	3.25% per annum, including inflation.
Discount rate (effective June 30, 2022)	4.09% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2022)	7.50% initial rate decreasing by .5% annually to an ultimate rate of 4.50%.

Discount Rate – The discount rate used to measure the total OPEB liability was 4.09% 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 SOA Public Plan 2010 tables. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year	$ 1,867,335
Changes for the year:	
Service cost	177,088
Interest	43,527
Differences between expected and actual experiences	(247,114)
Changes in assumptions	(251,909)
Benefit payments	(114,386)
Net changes	(392,794)
Total OPEB liability end of year	$ 1,474,541

Changes of assumptions reflect a change in the discount rate from 2.19% in fiscal year 2021 to 4.09% in fiscal year 2022.

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 (3.09%) or 1% higher (5.09%) than the current discount rate.

	1% Decrease (3.09%)	Discount Rate (4.09%)	1% Increase (5.09%)
Total OPEB liability	$ 1,603,232	1,474,541	1,355,205

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 it were calculated using healthcare cost trend rates that are 1% lower (6.5%) or 1% higher (8.5%) than the current healthcare cost trend rates.

	1% Decrease (6.50%)	Healthcare Cost Trend Rate (7.50%)	1% Increase (8.50%)
Total OPEB liability	$ 1,275,456	1,474,541	1,713,700

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2022, the County recognized OPEB expense of $216,927. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	104,268	(339,461)
Changes in assumptions		178,215	(214,945)
Total	$	282,483	(554,406)

The amount reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year ending June 30,		Amount
2023	$	(42,320)
2024		(15,463)
2025		(70,939)
2026		(60,033)
2027		(83,168)
	$	(271,923)

(10) 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 794 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, employment practices liability, public officials liability and police professional liability. 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, 2022 were $503,198.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, employment practices, 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, 2022, no liability has been recorded in the County's financial statements. As of June 30, 2022, 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 $500,000, 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.

(11) 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 both employee and County contributions and is administered through a service agreement with First Administrators. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of $50,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

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 First Administrators from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2022 was $3,065,801.

Amounts payable from the Employee Group Health Fund at June 30, 2022 total $700,649, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior year and current year claims and to establish a reserve for catastrophic losses. That reserve was $4,855,855 at June 30, 2022 and is reported as a designation of the Internal Service, Employee Group Health Fund net position. 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 the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid claims beginning of year	$ 680,755
Incurred claims (including claims incurred but not reported at June 30, 2022)	2,907,751
Payments on claims during the fiscal year	(2,887,857)
Unpaid claims end of year	$ 700,649

(12) Economic Development Agreements

The County has entered into a development agreement with Tyson Fresh Meats (developer). The County agreed to pay the developer a maximum of $574,000 for the construction and expansion of the company's pork processing facilities in the Dallas County Development Urban Renewal Area. The developer agrees the construction is to be completed no later than December 31, 2020. Starting October 15, 2021 and every October 15 thereafter during the term, the developer shall submit documentation to the satisfaction of the County, to demonstrate the completed project is part of the Company's business operations. The agreement requires five annual payments as a percentage of incremental property tax revenues the County earns from the property. The first payment, starting June 1, 2023 will be 75% of incremental property tax revenues and each succeeding year after being reduced by 15% for up to five years, provided the developer is in compliance with the terms of the agreement.

(13) 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. Additionally, the City of Dallas offered an urban revitalization tax abatement program pursuant to Chapter 404 of the Code of Iowa. With prior approval by the governing body, this program provides for an exemption of taxes based on a percentage of the actual value added by improvements.

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2022 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Clive	Urban renewal and economic development projects	$ 5,302
City of Dallas Center	Other tax abatement projects	6,736
City of De Soto	Urban renewal and economic development projects	6,894
City of Granger	Urban renewal and economic development projects	16,278
City of Perry	Urban renewal and economic development projects	3,475
	Other tax abatement projects	10,877
City of Waukee	Urban renewal and economic development projects	169,594
City of West Des Moines	Urban renewal and economic development projects	183,947

(14) County Financial Information Included in the Heart of Iowa Community Services Region

Heart of Iowa Community Services Region, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa includes the following member counties: Audubon County, Dallas County, Greene County and Guthrie County. The financial activity of the County's Special Revenue, Mental Health Fund is included in the Heart of Iowa Mental Health Region for the year ended June 30, 2022, as follows:

Revenues:		
Property and other county tax		$ 1,922,315
Intergovernmental revenues:		
State tax credits	$ 97,533	
Payments from regional fiscal agent	1,014,190	1,111,723
Miscellaneous		468
Total revenues		3,034,506
Expenditures:		
Services to persons with:		
Mental illness		505,975
General administration:		
Direct administration	372,266	
Distribution to regional fiscal agent	2,661,739	3,034,005
Total expenditures		3,539,980
Excess of expenditures over revenues		(505,474)
Fund balance beginning of the year		505,474
Fund balance end of the year		$ -

(15) Pending Litigation

The County is a defendant in several lawsuits seeking specified and unspecified amounts of damages. The probability and amount of loss, if any, is indeterminable.

(16) Opioid Litigation Settlement

The State of Iowa along with other states settled claims that certain prescription drug companies and pharmaceutical distributors engaged in misleading and fraudulent conduct in the marketing and sale of opioids and failed to monitor for, detect and prevent diversion of the drugs. The County also settled the same claims and related claims. Due to its settlement of these claims, the County will receive payments from the Defendant companies over the next seventeen years. The County is required to use these funds for activities to remediate the opioid crisis and treat or mitigate opioid use disorder and related disorders through prevention, harm reduction, and recovery services.

(17) Accounting Change

Governmental Accounting Standards Board Statement No. 87, Leases, was implemented during fiscal year 2022. The new requirements require the reporting of certain lease assets and liabilities which were previously not reported. The result of these changes had no effect on the beginning net position.

	Capital Assets	Long-term Liabilities Lease Agreements
Balances June 30, 2021, as previously reported	$ 103,695,715	-
Change to implement GASBS No. 87	45,286	45,286
Balances July 1, 2021, as restated	$ 103,741,001	45,286

(18) Subsequent Event

On February 21, 2023, the County approved a construction manager contract for the demolition and new construction of approximately $16,100,000 for an administration building.

(19) Prospective Accounting Change

Governmental Accounting Standards Board has issued Statement No. 96, Subscription-Based Information Technology Arrangements. This statement will be implemented for the fiscal year ending June 30, 2023. The revised requirements of this statement will require reporting certain assets and liabilities for the right-to-use another party's information technology software alone or in combination with tangible capital assets that are not currently reported.

Dallas County

Required Supplementary Information

Dallas 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, 2022

		Actual	Less Funds not Required to be Budgeted	Net
Receipts:				
Property and other county tax	$	32,864,414	-	32,864,414
Interest and penalty on property tax		175,760	-	175,760
Intergovernmental		19,301,497	-	19,301,497
Licenses and permits		247,297	-	247,297
Charges for service		3,803,787	-	3,803,787
Use of money and property		683,279	81	683,198
Miscellaneous		539,047	121,733	417,314
Total receipts		57,615,081	121,814	57,493,267
Disbursements:				
Public safety and legal services		14,704,326	-	14,704,326
Physical health and social services		1,819,587	-	1,819,587
Mental health		3,634,946	-	3,634,946
County environment and education		2,959,907	20,398	2,939,509
Roads and transportation		9,863,078	-	9,863,078
Governmental services to residents		2,391,908	-	2,391,908
Administration		2,184,924	-	2,184,924
Non-program		11,790	-	11,790
Debt service		2,334,126	19,311	2,314,815
Capital projects		3,293,352	-	3,293,352
Total disbursements		43,197,944	39,709	43,158,235
Excess (deficiency) of receipts over (under) disbursements		14,417,137	82,105	14,335,032
Other financing sources, net		(5,775)	(5,775)	-
Change in balances		14,411,362	76,330	14,335,032
Balance beginning of year		40,306,919	517,852	39,789,067
Balance end of year	$	54,718,281	594,182	54,124,099

See accompanying independent auditor's report.

Budgeted Amounts		Final to Net
Original	Final	Variance
31,268,348	31,268,348	1,596,066
127,000	127,000	48,760
7,830,816	7,830,816	11,470,681
238,850	238,850	8,447
3,344,450	3,344,450	459,337
580,926	587,526	95,672
1,267,250	1,267,250	(849,936)
44,657,640	44,664,240	12,829,027
15,442,262	17,000,168	2,295,842
2,033,935	2,123,569	303,982
3,423,303	3,423,303	(211,643)
3,220,958	4,187,713	1,248,204
9,891,985	9,891,985	28,907
2,548,624	3,144,807	752,899
2,328,009	2,509,425	324,501
104,832	104,832	93,042
2,314,816	2,314,816	1
8,430,000	9,783,844	6,490,492
49,738,724	54,484,462	11,326,227
(5,081,084)	(9,820,222)	24,155,254
40,000	40,000	(40,000)
(5,041,084)	(9,780,222)	24,115,254
28,528,023	48,402,992	(8,613,925)
23,486,939	38,622,770	15,501,329

Dallas County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2022

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	$ 57,615,081	(11,122,731)	46,492,350
Expenditures	43,197,944	1,267,918	44,465,862
Net	14,417,137	(12,390,649)	2,026,488
Other financing sources, net	(5,775)	30,629	24,854
Beginning fund balances	40,306,919	(317,389)	39,989,530
Ending fund balances	$ 54,718,281	(12,677,409)	42,040,872
Unrealized loss on investments*	(2,113,943)		
Cash, cash equivalents and pooled investments	$ 52,604,338		

* Investments on a cost basis do not recognize unrealized gains and losses

See accompanying independent auditor's report.

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

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except blended component units, Internal Service Funds and 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, the Debt Service Fund and the Capital Projects 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, two budget amendments increased budgeted disbursements by $4,745,738. 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 Extension Office by the County Agricultural Extension Council, 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.

Even with the budget amendments, the County exceeded the budgeted amount in the mental health function for the year ended June 30, 2022. The County transferred the ending mental health fund balance per Senate File 619 to Heart of Iowa Community Services without budgeting for this activity. . In addition, disbursements exceeded the amounts appropriated prior to an appropriation amendment by the Board of Supervisors and also at year end.

In Dallas County

Schedule of the County’s Proportionate Share of the Net Pension Liability (Asset)

Iowa Public Employees’ Retirement System
For the Last Eight Years*
(In Thousands)

Required Supplementary Information

	2022	2021	2020	2019
County's proportion of the net pension liability/asset	1.317908% **	0.138134%	0.129090%	0.130866%
County's proportionate share of the net pension liability (asset)	$ (4,550)	9,704	7,475	8,281
County's covered payroll	$ 15,772	14,844	14,219	13,607
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(28.85%)	65.37%	52.57%	60.86%
IPERS' net position as a percentage of the total pension liability (asset)	100.81%	82.90%	85.45%	83.62%

* 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.

** Overall plan net pension asset

See accompanying independent auditor’s report.

	2018	2017	2016	2015
	0.142952%	0.141174%	0.128206%	0.119569%
	9,522	8,885	6,334	4,742
	13,369	12,784	11,788	11,318
	71.22%	69.50%	53.73%	41.90%
	82.21%	81.82%	85.19%	87.61%

Dallas County

Schedule of County Contributions

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

Required Supplementary Information

		2022	2021	2020	2019
Statutorily required contribution	$	1,566	1,489	1,414	1,364
Contributions in relation to the statutorily required contribution		(1,566)	(1,489)	(1,414)	(1,364)
Contribution deficiency (excess)	$	-	-	-	-
County's covered payroll	$	16,756	15,772	14,844	14,219
Contributions as a percentage of covered payroll		9.35%	9.44%	9.53%	9.59%

See accompanying independent auditor's report.

2018	2017	2016	2015	2014	2013
1,236	1,216	1,152	1,081	1,041	973
(1,236)	(1,216)	(1,152)	(1,081)	(1,041)	(973)
-	-	-	-	-	-
13,607	13,369	12,784	11,788	11,318	10,776
9.08%	9.10%	9.01%	9.17%	9.20%	9.03%

Dallas County

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.

Dallas County

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

For the Last Six Years
Required Supplementary Information

		2022	2021	2020	2019
Service cost	$	177,088	131,467	120,616	94,371
Interest cost		43,527	46,589	62,306	54,182
Difference between expected and actual experiences		(247,114)	(41,172)	(168,497)	312,808
Changes in assumptions		(251,909)	180,010	103,039	20,065
Benefit payments		(114,386)	(138,192)	(165,207)	(100,456)
Net change in total OPEB liability		(392,794)	178,702	(47,743)	380,970
Total OPEB liability beginning of year		1,867,335	1,688,633	1,736,376	1,355,406
Total OPEB liability end of year	$	1,474,541	1,867,335	1,688,633	1,736,376
Covered-employee payroll	$	17,066,767	16,452,212	15,111,424	14,469,527
Total OPEB liability as a percentage of covered-employee payroll		8.64%	11.35%	11.17%	12.00%

See accompanying independent auditor's report.

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes of benefit terms:

There were no significant changes in benefit terms.

Changes of assumptions:

Changes of 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, 2022: 4.09%
Year ended June 30, 2021: 2.19%
Year ended June 30, 2020: 2.66%
Year ended June 30, 2019: 3.51%
Year ended June 30, 2018: 3.87%
Year ended June 30, 2017: 3.56%
Year ended June 30, 2016: 2.92%

2018	2017
102,364	42,557
54,099	34,944
(131,012)	224,545
(30,141)	7,253
(113,339)	(64,633)
(118,029)	244,666
1,473,435	1,228,769
1,355,406	1,473,435
14,052,888	13,512,392
9.65%	10.90%

Dallas County

Supplementary Information

Dallas County

Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2022

	Special			
	Wetland Bank Maintenance	County Sheriff Forfeiture	Sheriff Federal Forfeiture	County Attorney Forfeiture
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	$ 1,389,258	61,466	24,656	39,354
Conservation Foundation	-	-	-	-
Receivables:				
Opioid settlement	-	-	-	-
Accrued interest	-	-	-	-
Drainage assessments	-	-	-	-
Due from other governments	-	10,000	-	-
Prepaid items	-	-	-	-
Total assets	$ 1,389,258	71,466	24,656	39,354
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	$ -	498	-	-
Deferred inflows of resources:				
Unavailable revenues:				
Other	-	10,000	-	-
Fund balances:				
Nonspendable:				
Prepaid items	-	-	-	-
Restricted for:				
Drainage district purposes	-	-	-	-
Conservation purposes	-	-	-	-
Forfeitures	-	60,968	24,656	39,354
Wetland bank maintenance	1,389,258	-	-	-
Other purposes	-	-	-	-
Total fund balances	1,389,258	60,968	24,656	39,354
Total liabilities, deferred inflows of resources and fund balances	$ 1,389,258	71,466	24,656	39,354

See accompanying independent auditor's report.

Revenue						
County Recorder's Records Management	Resource Enhancement and Protection	Conservation Conditional Use	Local Government Opioid Abatement	Drainage Districts	Conservation Foundation	Total
71,878	218,787	1,152,320	-	89,383	-	3,047,102
-	-	-	-	-	504,799	504,799
-	-	-	1,138,920	-	-	1,138,920
-	68	446	-	-	-	514
-	-	-	-	44,341	-	44,341
-	-	-	-	-	-	10,000
1,510	-	-	-	-	-	1,510
73,388	218,855	1,152,766	1,138,920	133,724	504,799	4,747,186
-	-	-	-	-	-	498
-	-	-	1,138,920	44,341	-	1,193,261
1,510	-	-	-	-	-	1,510
-	-	-	-	89,383	-	89,383
-	-	1,152,766	-	-	504,799	1,657,565
-	-	-	-	-	-	124,978
-	-	-	-	-	-	1,389,258
71,878	218,855	-	-	-	-	290,733
73,388	218,855	1,152,766	-	89,383	504,799	3,553,427
73,388	218,855	1,152,766	1,138,920	133,724	504,799	4,747,186

Dallas County

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

Year ended June 30, 2022

	Special			
	Wetland Bank Maintenance	County Sheriff Forfeiture	Sheriff Federal Forfeiture	County Attorney Forfeiture
Revenues:				
Intergovernmental	$ 8,500	-	-	-
Charges for service	-	-	-	-
Use of money and property	15,829	-	-	-
Miscellaneous	-	-	-	2,303
Total revenues	24,329	-	-	2,303
Expenditures:				
Operating:				
Public safety and legal services	-	14,915	-	-
County environment and education	200	-	-	-
Governmental services to residents	-	-	-	-
Debt service	-	-	-	-
Total expenditures	200	14,915	-	-
Excess (deficiency) of revenues over (under) expenditures	24,129	(14,915)	-	2,303
Other financing sources (uses):				
Transfers out	-	-	-	-
Drainage warrants issued	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Change in fund balances	24,129	(14,915)	-	2,303
Fund balances beginning of year	1,365,129	75,883	24,656	37,051
Fund balances end of year	$ 1,389,258	60,968	24,656	39,354

See accompanying independent auditor's report.

Revenue: County Recorder's Records Management	Resource Enhancement and Protection	Conservation Conditional Use	Drainage Districts	Conservation Foundation	Total
-	28,975	-	-	-	37,475
28,587	-	-	-	-	28,587
-	722	29,586	-	81	46,218
-	-	-	15,993	105,740	124,036
28,587	29,697	29,586	15,993	105,821	236,316
-	-	-	-	-	14,915
-	-	-	2,075	18,323	20,598
2,161	-	-	-	-	2,161
-	-	-	19,311	-	19,311
2,161	-	-	21,386	18,323	56,985
26,426	29,697	29,586	(5,393)	87,498	179,331
-	-	-	-	(7,850)	(7,850)
-	-	-	2,075	-	2,075
-	-	-	2,075	(7,850)	(5,775)
26,426	29,697	29,586	(3,318)	79,648	173,556
46,962	189,158	1,123,180	92,701	425,151	3,379,871
73,388	218,855	1,152,766	89,383	504,799	3,553,427

Dallas County

Dallas County

Combining Schedule of Net Position
Internal Service Funds

June 30, 2022

	Professional Services	Employee Group Health	Total
Assets			
Cash and pooled investments	$ -	5,388,125	5,388,125
Accounts receivable	-	166,274	166,274
Accrued interest receivable	-	2,105	2,105
Prepaid expenditures	231,377	-	231,377
Due from other governments	1,097,177	-	1,097,177
Capital assets, net of accumulated depreciation	456,275	-	456,275
Net pension	272,986	-	272,986
Total assets	2,057,815	5,556,504	7,614,319
Deferred Outflows of Resources			
OPEB related deferred outflows	16,949	-	16,949
Pension related deferred outflows	150,184	-	150,184
Total deferred outflows of resources	167,133	-	167,133
Liabilities			
Accounts payable	83,556	700,649	784,205
Salaries and benefits payable	86,069	-	86,069
Due to other governments	5,960	-	5,960
Long-term liabilities:			
Portion due or payable within one year:			
Compensated absences	72,467	-	72,467
Total OPEB liability	6,863	-	6,863
Portion due or payable after one year:			
Compensated absences	141,056	-	141,056
Total OPEB liability	81,609	-	81,609
Total liabilities	477,580	700,649	1,178,229
Deferred Inflows of Resources			
Unavailable revenues:			
OPEB related deferred inflows	33,264	-	33,264
Pension related deferred inflows	679,483	-	679,483
Total deferred outflows of resources	712,747	-	712,747
Net Position			
Net investment in capital assets	456,275	-	456,275
Nonspendable-prepaid Items	231,377	-	231,377
Unrestricted	346,969	4,855,855	5,202,824
Total net position	$ 1,034,621	4,855,855	5,890,476

See accompanying independent auditor's report.

Dallas County

Combining Schedule of Revenues, Expenses and
Changes in Fund Net Position
Internal Service Funds

Year ended June 30, 2022

	Professional Services	Employee Group Health	Total
Operating revenues:			
Reimbursements from operating funds and other governmental units	$ 3,274,341	3,065,801	6,340,142
Reimbursements from employees and others	-	599,532	599,532
Miscellaneous	34,039	-	34,039
Total operating revenues	3,308,380	3,665,333	6,973,713
Operating expenses:			
Medical claims	-	2,907,751	2,907,751
Administrative and other fees	-	477,255	477,255
Central services	808,188	-	808,188
Information technology	1,238,136	-	1,238,136
Operations administration	360,630	-	360,630
Human resources	398,102	-	398,102
Depreciation	169,695	-	169,695
Total operating expenses	2,974,751	3,385,006	6,359,757
Operating income	333,629	280,327	613,956
Non-operating revenues:			
Interest income	-	20,567	20,567
Net non-operating revenues:	-	20,567	20,567
Net income	333,629	300,894	634,523
Net position beginning of year	700,992	4,554,961	5,255,953
Net position end of year	$ 1,034,621	4,855,855	5,890,476

See accompanying independent auditor's report.

Dallas County

Combining Schedule of Cash Flows
Internal Service Funds

Year ended June 30, 2022

	Professional Services	Employee Group Health	Total
Cash flows from operating activities:			
Cash received from operating funds and other reimbursements	$ 2,994,683	3,658,771	6,653,454
Cash paid for personal services	(2,933,212)	-	(2,933,212)
Cash paid to suppliers for services	-	(3,365,112)	(3,365,112)
Net cash provided by operating activities	61,471	293,659	355,130
Cash flows from non-capital financing activities:			
Deficit cash elimination from the General Fund	9,382	-	9,382
Cash flows from capital and related financing activities:			
Purchase of equipment	(275,572)	-	(275,572)
Cash flows from investing activities:			
Interest on investments	-	21,705	21,705
Increase (decrease) in cash and cash equivalents	(204,719)	315,364	110,645
Cash and cash equivalents beginning of year	204,719	5,072,761	5,277,480
Cash and cash equivalents end of year	$ -	5,388,125	5,388,125
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income	$ 333,629	280,327	613,956
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation/amortization	169,695	-	169,695
Changes in assets and liabilities:			
Accounts receivable and due from other governments	(313,697)	(6,562)	(320,259)
Prepaid insurance	9,756	-	9,756
Deferred outflows of resources	51,832	-	51,832
Accounts payable and due to other governments	(375)	19,894	19,519
Salaries and benefits payable	21,893	-	21,893
Compensated absences	3,849	-	3,849
Net pension liability	(855,199)	-	(855,199)
Deferred inflows of resources	663,656		663,656
Total OPEB liability	(23,568)	-	(23,568)
Net cash provided by operating activities	$ 61,471	293,659	355,130

See accompanying independent auditor's report.

Dallas County

Combining Schedule of Fiduciary Net Position
Custodial Funds

June 30, 2022

	County Offices	Heart of Iowa Mental Health Region	Agricultural Extension Education	County Assessor
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	$ -	619,104	1,270	832,096
Other County officials	375,861	-	-	-
Receivables:				
Property tax:				
Delinquent	-	-	198	780
Succeeding year	-	-	621,000	1,557,000
Accounts	10,202	3,049	-	-
Accrued interest	-	-	-	-
Special assessments	-	-	-	-
Due from other governments	-	245,382	-	-
Prepaid expenses	-	-	-	30,253
Total assets	$ 386,063	867,535	622,468	2,420,129
Liabilities				
Accounts payable	$ -	164,261	-	34,310
Salaries and benefits payable	-	-	-	57,342
Due to other governments	300,567	297,420	1,270	47,705
Trusts payable	85,496	-	-	-
Compensated absences	-	-	-	68,618
Total liabilities	386,063	461,681	1,270	207,975
Deferred Inflows of Resources				
Unavailable revenues	-	-	621,000	1,557,000
Net Position				
Restricted for indviduals, organizations and other governments	$ -	405,854	198	655,154

See accompanying independent auditor’s report.

Schools	Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Other	Total
405,770	15,017	230,080	2,665	11,756	4,082,977	1,405,245	7,605,980
-	-	-	-	-	-	-	375,861
63,739	2,348	51,515	96	10,911	-	1,868	131,455
130,171,000	5,022,000	86,418,000	635,000	-	-	7,003,000	231,427,000
-	-	-	-	-	171,806	48,886	233,943
-	-	-	-	-	-	-	-
-	-	-	-	200,643	-	-	200,643
-	-	-	-	-	-	71,921	317,303
-	-	-	-	-	-	47,002	77,255
130,640,509	5,039,365	86,699,595	637,761	223,310	4,254,783	8,577,922	240,369,440
-	-	-	-	-	-	20,699	219,270
-	-	-	-	-	-	11,800	69,142
405,770	15,017	230,080	2,665	11,756	4,254,783	51,119	5,618,152
-	-	-	-	-	-	467,507	553,003
-	-	-	-	-	-	7,311	75,929
405,770	15,017	230,080	2,665	11,756	4,254,783	558,436	6,535,496
130,171,000	5,022,000	86,418,000	635,000	-	-	7,003,000	231,427,000
63,739	2,348	51,515	96	211,554	-	1,016,486	2,406,944

Dallas County

Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds

Year ended June 30, 2022

	County Offices	Heart of Iowa Mental Health Region	Agricultural Extension Education	County Assessor
Additions:				
Property and other county tax	$ -	-	383,878	1,508,227
911 surcharge	-	-	-	-
State tax credits	-	-	19,477	76,524
Office fees and collections	4,654,886	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	2,714,179	-	-	-
Miscellaneous	-	5,117,340	-	-
Total additions	7,369,065	5,117,340	403,355	1,584,751
Deductions:				
Agency remittances:				
To other funds	1,664,465	-	-	-
To other governments	2,990,421	4,467,252	403,351	1,827,302
Trusts paid out	2,714,179	-	-	-
Total deductions	7,369,065	4,467,252	403,351	1,827,302
Changes in net position	-	650,088	4	(242,551)
Net position beginning of year, as restated	-	(244,234)	194	897,705
Net position end of year	$ -	405,854	198	655,154

See accompanying independent auditor's report.

Schools	Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Other	Total
123,090,193	4,540,139	83,680,445	601,725	-	-	6,446,324	220,250,931
-	-	-	-	-	-	356,675	356,675
6,336,707	230,340	4,634,536	22,686	-	-	333,299	11,653,569
-	-	-	-	-	-	-	4,654,886
-	-	-	-	-	46,493,868	-	46,493,868
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,314,688	4,028,867
-	-	6,954	-	-	-	398,194	5,522,488
129,426,900	4,770,479	88,321,935	624,411	-	46,493,868	8,849,180	292,961,284
-	-	-	-	-	1,239,058	-	2,903,523
129,423,930	4,770,189	88,325,103	624,374	79,341	45,254,810	7,538,857	285,704,930
-	-	-	-	-	-	1,314,688	4,028,867
129,423,930	4,770,189	88,325,103	624,374	79,341	46,493,868	8,853,545	292,637,320
2,970	290	(3,168)	37	(79,341)	-	(4,365)	323,964
60,769	2,058	54,683	59	290,895	-	1,020,851	2,082,980
63,739	2,348	51,515	96	211,554	-	1,016,486	2,406,944

Dallas County

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

For the Last Ten Years

	2022	2021	2020	2019
Revenues:				
Property and other county tax	$ 26,595,968	26,472,576	27,605,073	25,565,244
Local option sales tax	6,329,362	5,169,425	4,597,863	3,582,443
Interest and penalty on property tax	175,760	297,289	82,693	165,469
Tax increment financing	-	-	-	-
Intergovernmental	10,241,634	11,620,934	9,112,507	9,486,853
Licenses and permits	244,517	266,751	186,181	285,211
Charges for service	3,792,320	3,977,088	3,400,868	3,254,768
Use of money and property	(1,405,020)	610,504	1,048,946	1,411,277
Miscellaneous	517,809	759,797	562,057	924,441
Total	$ 46,492,350	49,174,364	46,596,188	44,675,706
Expenditures:				
Operating:				
Public safety and legal services	$ 15,002,124	14,294,578	13,515,562	12,626,438
Physical health and social services	1,912,639	1,820,228	1,836,677	2,110,989
Mental health	3,539,980	2,796,010	3,429,565	4,201,629
County environment and education	3,103,424	2,815,487	3,106,043	4,757,905
Roads and transportation	10,094,620	9,972,709	9,645,776	9,692,022
Governmental services to residents	2,469,348	2,302,761	2,271,552	2,125,484
Administration	2,279,841	2,000,753	1,965,694	1,979,347
Non-program	11,325	5,614	113,392	45,866
Debt service	2,334,126	2,364,460	4,170,805	4,157,321
Capital projects	3,718,435	2,500,292	11,463,307	13,758,352
Total	$ 44,465,862	40,872,892	51,518,373	55,455,353

See accompanying independent auditor's report.

2018	2017	2016	2015	2014	2013
23,751,147	22,307,584	20,557,779	19,297,992	18,774,955	19,141,260
-	-	-	-	-	-
151,495	138,110	147,056	146,484	152,944	152,413
24,418	102,700	97,087	100,956	98,441	109,529
8,083,102	9,677,530	9,646,964	10,884,066	9,555,277	8,483,422
237,429	216,902	195,827	177,553	171,694	142,434
3,254,403	3,578,091	3,246,569	2,894,320	2,688,187	2,895,612
803,919	386,429	301,534	315,240	318,975	299,663
1,486,038	855,121	836,507	652,133	691,317	647,448
37,791,951	37,262,467	35,029,323	34,468,744	32,451,790	31,871,781
11,984,812	10,369,948	9,801,775	9,420,387	8,362,939	7,635,590
2,662,329	3,332,045	3,183,651	3,014,152	2,889,683	2,872,561
2,762,717	2,992,986	2,596,836	3,294,070	2,373,144	2,490,442
4,567,353	3,839,669	3,824,009	3,514,414	3,038,226	2,837,183
7,361,528	6,953,472	6,672,732	6,490,035	7,738,509	7,615,842
2,245,448	2,143,512	1,984,473	2,298,557	1,842,953	1,749,461
1,792,648	1,596,818	1,670,842	1,863,375	1,551,918	1,512,103
193,051	3,340	14,298	11,249	17,363	111,511
2,999,604	2,571,032	2,110,476	1,887,573	1,815,875	1,748,125
7,266,688	2,942,981	9,371,884	3,076,076	396,233	2,402,316
43,836,178	36,745,803	41,230,976	34,869,888	30,026,843	30,975,134

Dallas County

Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

Grantor/Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Program Expenditures
US Department of Agriculture:			
Passed through Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	2127333	$ 26,409
Passed through Iowa Department of Public Health:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	5880NU14	2,201
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	5881NU14E	13,250
Total US Department of Agriculture			41,860
U.S. Department of the Interior:			
Payments in Lieu of Taxes	15.226	FY22	2,318
U.S. Department of Transportation:			
Passed through Iowa Department of Transportation:			
Highway Planning and Construction Cluster:			
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	BROSCHBP-C025(115)--NC-25	245,790
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	BROS-C025(113)--8J-25	20,544
Recreation Trail Program	20.219	NRT-C025(99)--9G-25	91,483
Recreation Trail Program	20.219	NRT-C025(103)--9G-25	81,595
Recreation Trail Program	20.219	NRT-C025(111)--9G-25	6,013
Recreation Trail Program	20.219	NRT-CO25(116)--9G-25	328,175
			773,600
Passed through Iowa Department of Public Safety - Governor's Traffic Safety Bureau:			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	PAP 21-402-M0AL, Task 03-00-00	17,440
State and Community Highway Safety	20.600	PAP 22-402-MOPT, Task 19-00-00	15,813
National Priority Safety Programs	20.616	PAP 22-405d-M60T, Task 00-19-00	9,247
			42,500
Total U.S. Department of Transportation			816,100
U.S. Department of the Treasury			
COVID-19, Coronavirus State and Local Fiscal Recovery Funds	21.027	ARPA	417,816
U.S. Department of Health and Human Services:			
Passed through Polk County Board of Health			
Public Health Emergency Preparedness	93.069	5881BT08-E	129,435
Immunization Cooperative Agreements	93.268	5881I423E	11,864
Immunization Cooperative Agreements	93.268	5885BT425	47,135
			58,999
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	5885BT425	1,638
Passed through Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Title IV-E Prevention Program	93.472	2127333	955
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	2127333	29
Foster Care Title IV-E	93.658	2127333	7,066
Adoption Assistance	93.659	2127333	3,876
Social Services Block Grant	93.667	2127333	7,210
Children's Health Insurance Program	93.767	2127333	553

Dallas County

Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

Grantor/Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Program Expenditures
U.S. Department of Health and Human Services continued:			
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	2127333	6,918
Medicaid Cluster:			
Medical Assistance Program	93.778	2127333	31,401
Total U.S. Department of Health and Human Services			248,080
U.S. Department of Homeland Security:			
Passed through Iowa Department of Public Defense - Iowa Homeland Security and Emergency Management Division:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA 4421 DRIA	38,957
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA 4557 DRIA	9,426
Disaster Grants - Public Assistance (Presidentially Declared Disasters) - Conservation	97.036	FEMA 4483 DRIA	29,562
			77,945
Homeland Security Grant Program	97.067	HSGP-20-31-01	2,000
Total U.S. Department of Homeland Security			79,945
Total			$ 1,606,119

Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Dallas County under programs of the federal government for the year ended June 30, 2022. 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 Principals and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Dallas County, it is not intended to and does not present the financial position, changes in financial position or cash flows of Dallas 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 Rated – Dallas 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
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834 Facsimile (515) 281-6518

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 Dallas County:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Dallas County, Iowa, as of and for the year ended June 30, 2022, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 21, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dallas County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are 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 Dallas County's internal control. Accordingly, we do not express an opinion on the effectiveness of Dallas County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in Part II of the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that 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 that a material misstatement of the Dallas County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in Part II of the accompanying Schedule of Findings and Questioned Costs as items 2022-001 through 2022-004 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in Part II of the accompanying Schedule of Findings and Questioned Costs as items 2022-005 through 2022-007 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dallas County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance 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 noncompliance 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 Dallas County's operations for the year ended June 30, 2022 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of Dallas 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.

Dallas County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Dallas County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Dallas County's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 Dallas 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

March 21, 2023

Dallas County

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
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Telephone (515) 281-5834 Facsimile (515) 281-6518

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 Dallas County:

Report on Compliance for Each Major Federal Program

Opinion on each Major Federal Program

We have audited Dallas County, Iowa's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on Dallas County's major federal program for the year ended June 30, 2022. Dallas County's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Dallas County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Dallas County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Dallas County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Dallas County's federal programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Dallas County’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence judgement made by a reasonable user of the report on compliance about Dallas County’s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Dallas County’s compliance with the compliance requirements referred to above and performing other such procedures as we considered necessary in the circumstances.
- Obtain an understanding of Dallas County’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Dallas County’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that was not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

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 that 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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2022-008, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Dallas County's response to the internal control over compliance finding identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. Dallas County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

March 21, 2023

Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2022

<u>Part I: Summary of the Independent Auditor's Results</u>:

(a) Unmodified opinions were issued on the financial statements.

(b) Material weaknesses and significant deficiencies 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) A significant deficiency in internal control over the major program was noted.

(e) An unmodified opinion was issued on compliance with requirements applicable to the major program.

(f) The audit disclosed no audit findings which are required to be reported in accordance with the Uniform Guidance, Section 200.516.

(g) The major programs were as follows:

- Assistance Listing Number 21.027 – COVID-19, Coronavirus State and Local Fiscal Recovery Funds.

- Highway Planning and Construction Cluster program, consisting of the following:

    - Assistance Listing Number 20.205 – Highway Planning and Construction.

    - Assistance Listing Number 20.219 – Recreation Trail Program.

(h) The dollar threshold used to distinguish between Type A and Type B programs was $750,000.

(i) Dallas County did not qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

2022-001 Segregation of Duties – County Recorder

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 County Recorder's office may have control over the following areas for which no compensating controls exist:

(1) All incoming mail is not opened by an employee who is not authorized to make entries to the accounting records.

(2) Generally, one individual may have control over collecting, depositing, posting, maintaining receivable records and daily reconciling of receipts for which no compensating controls exist

(3) Bank accounts were not reconciled by an individual who does not sign checks, handle or record cash. Bank reconciliations were not reviewed periodically by an independent person for propriety.

Cause – The County Recorder has 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 the County Recorder'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 – We realize segregation of duties is difficult with a limited number of office employees. However, the County Recorder should review the operating procedures of the office to obtain the maximum internal control possible under the circumstances. The County Recorder should utilize current personnel, including elected officials and personnel from other County offices, to provide additional control through review of financial transactions, reconciliations, and reports. Such reviews should be performed by independent persons to the extent possible and the reviews should be documented by the signature or initials of the reviewer and the date of the review.

Response – I have been in this position for a limited time. I am in the process of reviewing all procedures in the office and will take the audit findings into consideration while doing so. I appreciate the Auditor comments and suggestions.

Conclusion – Response accepted.

2022-002 Segregation of Duties – County Sheriff

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 County Sheriff's office may have control over commissary disbursement claims processing, check writing, check signing and final approval.

Cause – The County Sheriff's office has 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 the County Sheriff'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 – We realize segregation of duties is difficult with a limited number of office employees. However, the County Sheriff should review the operating procedures for the commissary account to obtain the maximum internal control possible under the circumstances. The County Sheriff should utilize current personnel, including personnel from other County offices, to provide additional control through review of financial transactions, reconciliations and reports. Such reviews should be performed by independent persons and should be documented by the signature or initials of the reviewer and the date of the review.

Response – The County Sheriff's office has recently added a Jail Clerk position. This person will be starting March 2, 2023. The Jail Clerk will assume the responsibilities of account reconciliation, preparing checks to pay invoices, or treasurer disbursements. These will all be approved for payment by the Lieutenant, and the checks will be signed by the Chief. In the event one or both are absent the approvals will be done by two other individuals with the rank of Sergeant or above.

All disbursements for inmate reimbursements by check (only when going to another correctional facility) will be prepared by a jailer and the check will be signed by an employee with the rank of Sergeant or above.

Bond payments to the clerk of court will be approved by an employee with the rank of Sergeant or above and the check will be signed by another employee with the rank of Sergeant or above.

Conclusion – Response acknowledged. The County Sheriff's office should utilize current personnel, including elected officials, to provide additional control through review of financial transactions, reconciliations and reports.

2022-003 Segregation of Duties – Conservation Foundation

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 Foundation's financial statements.

Condition – For the Conservation Foundation, the responsibilities for collection, deposit preparation, cash disbursement and bank reconciliation functions are not properly segregated and there is no independent review of these duties. In addition, there is no independent review of bank reconciliations.

Cause – County Conservation Board employees maintain the books and records for the Conservation Foundation. The County Conservation Department has 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 the Conservation Foundation Board's ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees/volunteers in the normal course of performing their assigned functions.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the County Conservation Department and the Conservation Foundation Board should review its operating procedures to obtain the maximum internal control possible under the circumstances utilizing currently available personnel, including Board members.

Response – The Dallas County Conservation Foundation (DCCF) and the Dallas County Conservation Board (DCCB) are two totally different entities. The Dallas County Conservation Foundation is not a County government department. The DCCF has NO paid employees, yet you continue to reference limited number of employees. The employees in the office are staff for the DCCB. The checkbook ledger shows expenses and revenues are reviewed annually by the DCCF Board. In addition, to this, continued communication throughout the year on the funds within the Conservation Foundation, is ongoing with the Chair of the Conservation Foundation.

Conclusion – Response acknowledged. Although the funds held by the Foundation are not County funds, the Foundation is part of the County's reporting entity because the organization exists to support the County's Conservation Department. Proper internal controls should be in place to safeguard the donations and other assets the Foundation is entrusted with. The Foundation should continue to review operating procedures to obtain the maximum internal control possible, including using Board members more frequently than just annually to review transactions and reconciliations. This would help strengthen internal controls and allow for more timely resolution if errors or discrepancies are identified.

2022-004 Financial Reporting

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 – During the audit, we identified material amounts of receivables, deferred inflows of resources and salaries payable not properly recorded in the County's financial statements. Adjustments were subsequently made by the County to properly report 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 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 establish procedures to ensure all receivables, deferred inflows of resources and salaries payable are identified and properly reported in the County's financial statements.

Response – The County Operations Department has procedures in place to review all transactions during the accrual period to ensure they are recorded correctly. We will add another layer of review to ensure we catch any errors submitted to Operations by department heads.

Conclusion – Response accepted.

2022-005 County Sheriff Commissary Account

Criteria – An effective internal control system provides for internal controls related to ensuring bank and book balances are reconciled monthly.

Condition – Bank to book reconciliations are not performed for the commissary account.

Cause – Procedures have not been designed and implemented to ensure the commissary account is reconciled monthly.

Effect – Lack of bank to book reconciliations can result in unrecorded transactions, undetected errors and the opportunity for misappropriation.

Recommendation – The County Sheriff should establish procedures to ensure monthly bank reconciliations are performed for the commissary account.

Response – A reconciliation will be prepared to include all outstanding items and adjustments to reconcile back to the book balance. We have a new software and process that does this.

Conclusion – Response accepted.

2022-006 Employee Group Health Fund Reconciliation

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 – Monthly reconciliations of department employee health insurance deductions to Internal Service – Employee Group Health Fund receipts were not prepared timely. The reconciliation for all months of the fiscal year were not prepared until after the end of the fiscal year.

Cause – County policies have not been established and procedures have not been implemented to require a timely reconciliation.

Effect – Lack of policies and procedures could result in unrecorded or misstated receipts, or unauthorized adjustments not being detected timely by the County.

Recommendation – The County should establish policies and procedures to ensure a monthly reconciliation of department employee health insurance deductions to Internal Service – Employee Group Health Fund receipts are prepared timely. The review of the reconciliation should be documented by the signature or initials of the reviewer and the date of the review.

Response – The County Operations Department will establish procedures to prepare a reconciliation of the employee health insurance deductions and revenues in the Internal Service – Employee Group Health Fund, timely and the reconciliation will be reviewed by an independent reviewer documented by that signature and date of the reviewer.

Conclusion – Response accepted.

2022-007 Credit Card Usage

Criteria – An effective internal control system provides for internal controls related to ensuring the County credit care policy is followed, and only County employees are authorized to use County credit cards.

Condition – The County has an established credit and fuel card policy authorizing County employees to utilize County credit cards for use in their official capacity. During the audit, we identified one credit card was in the possession of a non-County employee, with purchases being processed through the normal claims process of the County.

Cause – The non-County employee helps, in her official capacity as a State employee, to facilitate a grant between the State of Iowa and the County. The County provided the credit card to the State employee for use and did not consider the policy requires a County credit card should only be used by a County employee.

Effect – Failing to follow established policies and procedures could result in misstatements, errors, or misappropriation.

Recommendation – The County should follow the established credit and fuel card policy and ensure only County employees are in possession of County credit cards.

Response – The County will follow the established credit and fuel card policy and establish the existing County credit card with a County employee. The Operations Department of the County will also, review the claims for this Department.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCY:

Assistance Listing Number 21.027: COVID-19, Coronavirus State and Local Fiscal Recovery Funds
Federal Award Year: 2021
Prior Year Finding Number: N/A
U.S. Department of Treasury

2022-008

Project and Expenditure Report

Criteria – The Uniform Guidance, Part 200.303, requires the auditee establish and maintain effective internal control over the federal award which provides reasonable assurance the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms of the federal award. The County is required to submit a Project and Expenditure Report. This report is a Report on projects funded, expenditures, and contracts and subawards equal to or greater than $50,000 and other information.

The Compliance and Reporting Guidance, State and Local Fiscal Recovery Funds, requires the initial quarterly report, covering three calendar quarters from March 3, 2021 to December 31, 2021 be submitted to the U.S. Treasury by January 31, 2022. Subsequent quarterly reports must be submitted by the last day of the month following the end of the period to which the data relates.

Condition – Each of the required reports were submitted between 1 and 16 days late.

Cause – County procedures have not been established to ensure reports are submitted timely.

Effect – The lack of established policies and procedures resulted in the late submission of quarterly reports.

Recommendation – The County should establish policies and procedures to ensure reports are submitted timely in accordance with the Compliance and Reporting Guidance.

Response – A policy and procedure will be established to ensure the Project and Expenditure Report is submitted prior to the reporting deadline.

Conclusion – Response accepted.

Part IV: Other Findings Related to Required Statutory Reporting:

2022-A Certified Budget – During the year ended June 30, 2022, disbursements exceeded the amount budgeted in the mental health function. In addition, disbursements in certain departments exceeded the amount appropriated prior to approval of an appropriation amendment and at year end.

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

Chapter 331.434(6) of the Code of Iowa authorizes the Board of Supervisors, by resolution, to increase or decrease appropriations of one office or department by increasing or decreasing the appropriation of another office or department as long as the 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 an effort to amend the budget and appropriations of offices or departments prior to exceeding the budgeted amounts.

Conclusion – Response accepted.

2022-B Questionable Expenditures – In accordance with Article III, Section 31 of the Iowa Constitution and an Attorney General's Opinion dated April 25, 1979, public funds may only be spent for public benefit. Certain expenditures were noted which we believe may not meet the requirement of public purposes as defined in the Attorney General's opinion since the public benefits to be derived have not been clearly documented. These expenditures are detailed as follows:

Paid to	Purpose	Amount
Wells Fargo Business Card		
Casey's	Lunch for jail training	$ 117
Hy-Vee	Food for all district meeting	706
Amazon	Prime Membership	119
Amazon	Prime Membership	349

According to the opinion, it is possible for such disbursements to meet the test of serving a public purpose under certain circumstances, although such items will certainly be subject to a deserved close scrutiny. The line to be drawn between a proper and an improper purpose is very thin.

Recommendation – The County should determine and document the public purpose served by these disbursements before authorizing any further payments. If this practice is continued, the County should establish written policies and procedures, including the requirements for the proper public purpose documentation.

Response – The County will exam current procurement practices and develop policies and procedures to ensure public purpose is documented, showing how the public is benefiting from each transaction, prior to authorizing any further payments for similar transactions.

Conclusion – Response accepted.

2022-C Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

2022-D Business Transactions – No business transactions between the County and County officials or employees were noted.

2022-E Restricted Donor Activity – No transactions were noted between the County, County officials or County employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

2022-F Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

2022-G Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

2022-H Deposits and Investments – No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.

2022-I 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).

2022-J Annual Urban Renewal Report – The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1 and no exceptions were noted.

2022-K Tax Increment Financing – Dallas County properly completed the Tax Increment Forms 1, 2, or 3 as appropriate, to certify Tax Increment Financing (TIF) obligations (debt), to decertify TIF debt or to request a reduced distribution of TIF.

2022-L Taxable Meals – Reimbursement for meal expenses incurred on one-day travel is taxable income to the employee unless such reimbursements are deemed "occasional" per internal Revenue Service (IRS) De Minimis Meal guidelines.

During fiscal year 2022, four transactions for meals, which required only one-day travel, were not included to the employee's gross wages and payroll taxes were not withheld.

Recommendation – The County should develop policies for non-overnight travel and establish procedures for meal reimbursements determined to be taxable under IRS Guidelines. Meal reimbursements determined to be taxable, should be added to the employee's gross wages and payroll taxes should be withheld accordingly.

Response – The County will develop a policy which will cover fringe benefits, meals and any other expenses which are considered taxable.

Conclusion – Response accepted.

2022-M Deputy Sheriff Salary – In accordance with Chapter 331.904(2)(a) of the Code of Iowa, the annual base salary of a first or second deputy sheriff shall not exceed eighty-five percent of the annual base salary of the Sheriff.

For fiscal year 2022, the base salary of the Chief Deputy Sheriff exceeded eighty-five percent of the annual base salary of the sheriff by $438.

Recommendation – The County should seek reimbursement for the unallowable amounts paid to the Chief Deputy Sheriff and should comply with Chapter 331.904(2)(a) of the Code of Iowa in the future.

Response – The County will consult with the County Attorney to determine the disposition of this matter and will develop a policy and procedures to ensure the County is in compliance with Chapter 331.904(2)(a) of the Code of Iowa.

Conclusion – Response accepted.

2022-N Meal Reimbursement Rate – Dallas County established an official policy that employees are allowed to claim meals, while conducting official duties of the County, outside of the employees' domicile, at a rate not to exceed the maximum amount of $7 for breakfast and $10 for lunch.

During the year we noted, six transactions for meals, in which the maximum amount allowed was exceeded, as a result the County exceeded the maximum allowed meal rate by $284.

Recommendation – The County should establish policies and procedures to ensure the allowable meal rate is not exceeded.

Response – The County will establish policies and procedures to ensure the allowable rates for meals is not exceed, including the repayment of such amount going forward, the County will review payments already processed and not reimbursed to determine if any adjustments need to be made to taxable income to the employees affected.

Conclusion – Response accepted.

Staff

This audit was performed by:

Ernest H. Ruben, Jr., CPA, Deputy
Katherine L. Rupp, CPA, Manager
Jamie T. Reuter, Senior Auditor II
Noelle M. Johnson, Senior Auditor
Enoch D.N. Duval, Staff Auditor
Jared M. Ernst, CPA, Staff Auditor
Zachary T. Shaw, Staff Auditor
Roxanne R. Stotler, Staff Auditor
Cassie L. Hermsen, Audit Intern