



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

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Auditor of State

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**NEWS RELEASE**

Contact: Ernest Ruben  
515/281-5834

FOR RELEASE

July 14, 2023

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

**FINANCIAL HIGHLIGHTS:**

The County's revenues totaled \$28,814,392 for the year ended June 30, 2022, a 13.0% increase over the prior year. Expenses for County operations for the year ended June 30, 2022 totaled \$16,778,823, a 2.4% decrease from the prior year. The significant increase in the revenues is due primarily to more capital contributions received from Iowa Department of Transportation.

**AUDIT FINDINGS:**

Sand reported eight findings related to the receipt and expenditure of taxpayer funds. They are found on pages 88 through 94 of this report. The findings address a lack of segregation of duties, adjustments needed to properly record receivables, transfers and capital assets in the County's financial statements, appropriations exceeding budgeted amounts prior to amendment and a deficit fund balance in one County fund. Sand provided the County with recommendations to address each of these findings.

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

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

# # #

**DICKINSON COUNTY**  
**INDEPENDENT AUDITOR'S REPORTS**  
**BASIC FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FINDINGS**  
**JUNE 30, 2022**

**Dickinson County**



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Rob Sand  
Auditor of State

June 13, 2023

Officials of Dickinson County  
Spirit Lake, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for Dickinson County for the year ended June 30, 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 Dickinson County throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand".

Rob Sand  
Auditor of State

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**Dickinson County**

**Officials**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Steve Clark	Board of Supervisors	Jan 2023
William Leupold	Board of Supervisors	Jan 2023
Kim Wermersen	Board of Supervisors	Jan 2023
Tim Fairchild	Board of Supervisors	Jan 2025
Jeff Thee	Board of Supervisors	Jan 2025
Lori Pedersen	County Auditor	Jan 2025
Kris Rowley	County Treasurer	Jan 2023
Ann Ditsworth	County Recorder	Jan 2023
Gregory Baloun	County Sheriff	Jan 2025
Amy Zenor	County Attorney	Jan 2025
Stephanie Sohn	County Assessor	Jan 2028



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Independent Auditor's Report

To the Officials of Dickinson County:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of Dickinson County, Iowa, as of and for the year ended June 30, 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, the discretely presented component unit and the aggregate remaining fund information of Dickinson 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 (GAAS) 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 Dickinson 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 23 to the financial statements, Dickinson 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 Dickinson 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 GAAS 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 GAAS 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 the Dickinson 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 Dickinson 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 64 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.

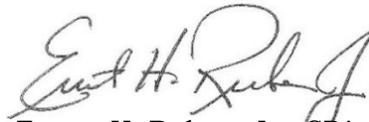
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dickinson County’s basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2021 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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 5 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 June 13, 2023 on our consideration of Dickinson County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Dickinson County’s internal control over financial reporting and compliance.



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

June 13, 2023

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Dickinson County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 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 beginning capital assets and long-term liabilities lease agreements for governmental funds was restated by \$17,473 to retroactively report in accordance with the GASBS.
- Revenues of the County's governmental activities increased 13.0%, or approximately \$3,306,000, from fiscal year 2021 to fiscal year 2022. Capital grants, contributions and restricted interest increased approximately \$3,298,000 due primarily to the County receiving \$2,225,000 in donated infrastructure from the Iowa Department of Transportation compared to \$157,000 in the previous year.
- Program expenses of the County's governmental activities decreased 2.4%, or approximately \$409,000, from fiscal year 2021. Public Safety and legal services expenses decreased 23.4% or approximately \$727,000, due primarily to the capitalization of the E911 radio system upgrade.
- The County's governmental activities net position at June 30, 2022 increased 15.2%, or approximately \$12,035,000 over the June 30, 2021 balance.

### **USING THIS ANNUAL REPORT**

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

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

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

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

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

Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year, the County's proportionate share of the net pension liability (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 Custodial Funds.

## **REPORTING THE COUNTY'S FINANCIAL ACTIVITIES**

### *Government-wide Financial Statements*

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

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

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

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

### *Fund Financial Statements*

The County has three kinds of funds:

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

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

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

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

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

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

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

Net Position of Governmental Activities (Expressed in Thousands)		
	June 30,	
	2022	2021
Current and other assets	\$ 49,133	42,869
Capital assets	76,089	69,294
Total assets	125,222	112,163
Deferred outflows of resources	808	1,195
Long-term liabilities	13,500	19,005
Other liabilities	5,386	2,849
Total liabilities	18,886	21,854
Deferred inflows of resources	15,727	12,122
Net position:		
Net investment in capital assets	73,455	65,380
Restricted	12,422	10,185
Unrestricted	5,540	3,817
Total net position	\$ 91,417	79,382

The net position of Dickinson County’s governmental activities increased approximately 15.2% (approximately \$91.4 million compared to approximately \$79.4 million).

A large portion of the County’s net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased approximately \$8,075,000, or 12.4%, over the prior year, primarily the result of construction on multiple trail projects and infrastructure donated by the Iowa Department of Transportation.

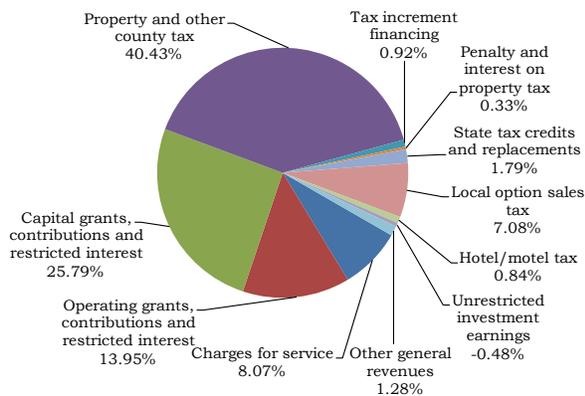
Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how it can be used. Restricted net position increased approximately \$2,237,000, or 22.0%.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased approximately \$1,723,000, or 45.1%, over the previous year.

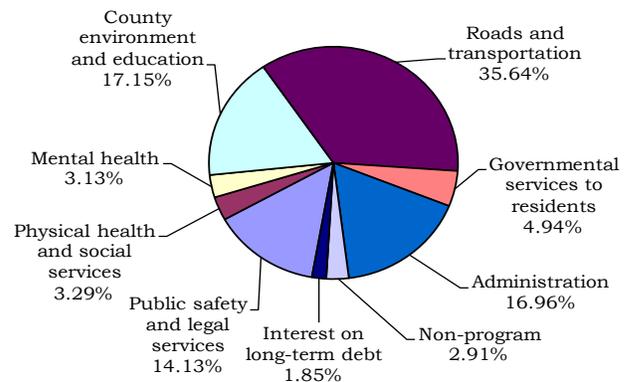
**Changes in Net Position of Governmental Activities**  
(Expressed in Thousands)

	Year ended June 30,	
	2022	2021 (Not Restated)
<b>Revenues:</b>		
<b>Program revenues:</b>		
Charges for service	\$ 2,324	1,841
Operating grants, contributions and restricted interest	4,019	4,580
Capital grants, contributions and restricted interest	7,431	4,133
<b>General revenues:</b>		
Property and other county tax	11,651	11,316
Tax increment financing	264	278
Penalty and interest on property tax	96	129
State tax credits and replacements	516	502
Local option sales tax	2,039	1,869
Hotel/motel tax	243	224
Unrestricted investment earnings	(139)	242
Other general revenues	370	394
<b>Total revenues</b>	<b>28,814</b>	<b>25,508</b>
<b>Program expenses:</b>		
Public safety and legal services	2,371	3,098
Physical health and social services	552	537
Mental health	525	525
County environment and education	2,878	2,497
Roads and transportation	5,980	5,512
Governmental services to residents	829	896
Administration	2,846	3,005
Non-program	488	628
Interest on long-term debt	310	490
<b>Total expenses</b>	<b>16,779</b>	<b>17,188</b>
<b>Change in net position</b>	<b>12,035</b>	<b>8,320</b>
<b>Net position beginning of year</b>	<b>79,382</b>	<b>71,062</b>
<b>Net position end of year</b>	<b>\$ 91,417</b>	<b>79,382</b>

**Revenues by Source**



**Expenses by Function**



The countywide taxable valuation increased approximately 4.9%, and the levy rate decreased less than 1%, resulting in an increase in the County's property tax revenue of approximately \$335,000 for fiscal year 2022. Based on an increase of approximately 4.8% in next year's taxable valuation, the elimination of the County's mental health fund and a decrease in levy rates for fiscal year 2023, property tax is expected to decrease slightly next year.

## **INDIVIDUAL MAJOR FUND ANALYSIS**

As Dickinson County completed the year, its governmental funds reported a combined fund balance of approximately \$27.9 million, an increase of approximately \$2,830,000 over last year's total of approximately \$25 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues decreased approximately \$531,000 and expenditures decreased approximately \$379,000. The ending fund balance increased approximately \$524,000 over the prior year to approximately \$7.7 million. The decrease in revenue was due primarily to a decrease in federal CARES Act funds. In addition, the County had a \$139,338 loss on investment earnings. The County intends to hold the investment to maturity; therefore, there will be no loss of principal.
- Revenues in the Special Revenue, Mental Health Fund decreased approximately \$165,000 from the prior year. Expenditures for the year totaled approximately \$539,000, an increase of approximately \$17,000 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 Sioux Rivers Mental Health Region prior to June 30, 2022.
- Special Revenue, Rural Services Fund revenues increased approximately \$162,000. Expenditures increased approximately \$170,000 and transfers out decreased approximately \$63,000. These changes resulted in the ending fund balance increasing approximately \$255,000 to approximately \$1,772,000 at June 30, 2022. The increase in expenditures was due primarily to new furniture and upgraded radios for the 911 system.
- Special Revenue, Secondary Roads Fund expenditures increased approximately \$1,726,000, or 30.3%, due to more roadway construction projects during the year. Secondary Roads Fund revenues decreased approximately \$351,000, primarily due to a decrease in local reimbursements for projects. Transfers in decreased 39,000. The Secondary Roads Fund ending balance increased approximately \$50,000.
- The Special Revenue, Drainage Districts Fund ended the year with a deficit fund balance of approximately \$168,000 compared to a deficit fund balance of approximately \$728,000 at the end of the prior year. Drainage District revenues increased approximately \$618,000. The \$618,000 increase is due to new assessments on districts to pay for projects/improvement expenses that were incurred in the last few years. Expenditures increased approximately \$231,000, due primarily to more drainage projects in fiscal year 2022 compared to the prior year. Stamped drainage warrants issued increased approximately \$186,000.
- The Special Revenue, Dickinson County Trails Fund reported an increase in revenues of approximately \$1,044,000 due to an increase of grants from private sources for the construction of trails. Expenditures decreased approximately \$748,000. The fund balance increased approximately \$1,710,000 or 105.2%.
- The Special Revenue, TIF and Urban Renewal Fund reported a decrease in revenues of approximately \$20,000 due to decreased TIF revenues. TIF and Urban Renewal Fund expenditures remained the same. The balance in the fund at June 30, 2022 was approximately \$202,000.
- Revenues of the Debt Service Fund increased approximately \$225,000. Expenditures decreased approximately \$211,000. Debt service payments were approximately \$2.2 million in fiscal year 2022. The ending fund balance in the Debt Service Fund decreased approximately \$717,000. The fund balance is large because debt for the Lakes Regional Hospital of \$8,135,000 is not recorded as a fund liability under the modified accrual basis of accounting; however, a receivable from the hospital is recorded.

**BUDGETARY HIGHLIGHTS**

Over the course of the year, Dickinson County amended its budget one time. The amendment was made on May 17, 2022 to increase the budget in the public safety and legal services, physical health and social services, mental health, roads and transportation, administration and nonprogram functions for allowance for expenditures in the CARES and ARPA funds, increase in price of utilities and goods, additional expenditures in roads for capital improvements, and pass through for immunization grants. This resulted in an increase in budgeted disbursements of \$3,012,559.

The County’s receipts were \$237,971 less than budgeted, a variance of less than 1%. The County received less intergovernmental grants than budgeted.

Total disbursements were \$9,035,041 less than the amended budget. Actual disbursements for the county environment and education, administration, and capital projects functions were approximately \$4,382,339, \$1,984,136 and \$1,306,780, respectively, less than the budgeted amount because various projects, including federal projects, were expected to begin in the current year, but actual start dates were in the next fiscal year.

The County did not exceed the budgeted amounts in any disbursement functions for the year ended June 30, 2022. However, disbursements in certain departments exceeded the amount appropriated prior to amendment.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2022, Dickinson County had approximately \$76.1 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges and intangible assets. This is a net increase (including additions and deletions) of approximately \$6,778,000, or 9.8%, over last year.

Capital Assets of Governmental Activities at Year End		
(Expressed in Thousands)		
	June 30,	
	2022	2021 (As Restated) *
Land	\$ 9,460	7,692
Intangibles, road network	530	530
Construction in progress	9,987	7,480
Buildings and improvements	17,952	18,316
Equipment and vehicles	7,408	6,063
Right-to-use leased equipment	13	17
Intangibles, other	27	-
Infrastructure	30,713	29,213
Total	\$ 76,089	69,311

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

The County had depreciation expense of approximately \$3,214,000 in fiscal year 2022 and total accumulated depreciation of approximately \$24.9 million at June 30, 2022.

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

## Long-Term Debt

Dickinson County had approximately \$12.8 million of outstanding debt at June 30, 2022, which included approximately \$10.4 million of general obligation bonds and notes, approximately \$336,000 of general obligation capital loan notes, approximately \$217,000 of urban revitalization bonds, approximately \$13,000 in lease agreements and approximately \$1.8 million of drainage warrants compared to total outstanding debt of approximately \$14.7 million at June 30, 2021.

Outstanding Debt of Governmental Activities at Year-End (Expressed in Thousands)		
	June 30,	
	2022	2021 (As Restated) *
General obligation bonds and notes	\$ 10,420	12,405
General obligation capital loan notes	336	379
Urban revitalization bonds	217	275
Lease agreements	13	17
Drainage warrants	1,809	1,613
Total	<u>\$ 12,795</u>	<u>14,689</u>

Debt decreased approximately \$1,894,000, primarily as a result of the repayment of the County's general obligation bonds.

The County continues to carry a general obligation bond rating of Aa2 (Moody's) assigned by national rating agencies to the County's debt since 1998. The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. Dickinson County's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$266,884,000. Additional information about the County's long-term debt is presented in Note 9 to the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Dickinson County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2023 budget, tax rates and fees charged for various County activities. One of those factors is the economy. Unemployment in the County now stands at 2.1% versus 3.8% a year ago. This compares with the State's unemployment rate of 2.6% and the national rate of 3.6%.

The County's total cash basis fund balance is expected to decrease by the close of fiscal year 2023 from the fiscal year 2022 actual balance of approximately \$23.5 million to approximately \$18.7 million.

The budget was influenced by the following factors: 1) the budget reflects an increase in employee pay as well as ongoing increases in health insurance, fuel costs, utilities and workers compensation insurance, 2) it reflects ongoing expenses continuing to increase and replace the one-time expenses in each budget year, 3) it reflects the efforts of departments to reduce department budgets, where possible, in order to keep the tax asking as low as possible, 4) it reflects a serious concern for the economic effects on fiscal year 2022 and thereafter, and 5) it reflects an increase in expenditures for capital projects.

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

These factors were considerations for the fiscal year 2023 budget, which certified property tax as follows: (Amount certified includes utility replacement and property tax dollars.)

	2023 Dollars Certified	2022 Dollars Certified	Percentage Change
General basic levy	\$ 7,842,840	7,485,166	4.8%
Mental health levy	-	364,834	-100.0%
Rural services levy	3,135,183	3,002,947	4.4%
Debt service levy	835,747	1,125,838	-25.8%
Total	\$ 11,813,770	11,978,785	-1.4%

Levy rates (expressed per \$1,000 of taxable valuation) to produce the above dollars for fiscal year 2023 and fiscal year 2022 are as follows:

	2023	2022	Percentage Change
General basic levy	2.45135	2.45135	0.0%
Mental health levy	-	0.11948	-100.0%
Rural services levy	2.44000	2.44000	0.0%
Debt service levy	0.24434	0.34396	-29.0%
Total	5.13569	5.35479	-4.1%

Budgeted receipts in the fiscal year 2023 operating budget are approximately \$1,423,000 less than the fiscal year 2022 actual receipts of approximately \$25.5 million. Budgeted disbursements in the fiscal year 2023 operating budget are approximately \$28.9 million, which is approximately \$8.7 million more than the fiscal year 2022 actual final disbursements of approximately \$20.2 million. Total countywide taxable valuations increased approximately \$146 million, from approximately \$3.1 billion to approximately \$3.2 billion.

**CONTACTING THE COUNTY’S FINANCIAL MANAGEMENT**

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

**Dickinson County**

## **Basic Financial Statements**

Dickinson County  
Statement of Net Position  
June 30, 2022

	Primary Government	Component Unit
	Governmental Activities	Conservation Foundation
<b>Assets</b>		
Cash, cash equivalents and pooled investments	\$ 23,991,929	649,607
Receivables:		
Property tax:		
Delinquent	2,450	-
Succeeding year	11,500,000	-
Succeeding year tax increment financing	263,000	-
Interest and penalty on property tax	4,578	-
Accounts	55,384	-
Loan to Lakes Regional Hospital	8,135,000	-
Accrued interest	25,769	-
Drainage assessments	1,977,552	-
Opioid settlement	256,083	-
Lease receivable	50,492	-
Due from other governments	763,357	-
Inventories	758,211	-
Prepaid expenses	27,666	-
Net pension asset	1,321,505	-
Capital assets, not being depreciated	19,976,422	-
Capital assets, net of accumulated depreciation/amortization	56,113,058	-
<b>Total assets</b>	125,222,456	649,607
<b>Deferred Outflows of Resources</b>		
Pension related deferred outflows	808,036	-
<b>Liabilities</b>		
Accounts payable	1,551,341	-
Accrued interest payable	222,114	-
Salaries and benefits payable	218,908	-
Due to other governments	41,434	-
Unearned revenues	3,352,164	-
Long-term liabilities:		
Portion due or payable within one year:		
General obligation bonds/notes	1,910,000	-
General obligation capital loan notes	44,000	-
Urban revitalization bonds	59,681	-
Drainage warrants	299,178	-
Compensated absences	271,618	-
Lease agreement payable	4,338	-
Total OPEB liability	23,350	-
Portion due or payable after one year:		
General obligation bonds/notes	8,510,000	-
General obligation capital loan notes	292,000	-
Urban revitalization bonds	157,269	-
Drainage warrants	1,510,186	-
Compensated absences	153,898	-
Lease agreement payable	8,796	-
Total OPEB liability	255,947	-
<b>Total liabilities</b>	18,886,222	-
<b>Deferred Inflows of Resources</b>		
Lease related	50,492	-
Unavailable property tax revenue	11,500,000	-
Unavailable tax increment financing revenue	263,000	-
Pension related deferred inflows	3,913,318	-
<b>Total deferred inflows of resources</b>	15,726,810	-
<b>Net Position</b>		
Net investment in capital assets	73,455,346	-
Restricted for:		
Rural services purposes	1,830,787	-
Secondary roads purposes	5,057,574	-
Trail purposes	3,336,665	-
Conservation purposes	527,650	649,607
Debt service	363,777	-
Opioid abatement	256,083	-
Other purposes	1,049,879	-
Unrestricted	5,539,699	-
<b>Total net position</b>	\$ 91,417,460	649,607

See notes to financial statements.

Dickinson County  
Statement of Activities  
Year ended June 30, 2022

	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Primary Government Governmental Activities	Component Unit Conservation Foundation
<b>Functions/Programs:</b>						
<b>Primary Government:</b>						
Governmental activities:						
Public safety and legal services	\$ 2,371,237	226,267	23,500	-	(2,121,470)	
Physical health and social services	551,872	3,100	478,450	-	(70,322)	
Mental health	524,884	-	-	-	(524,884)	
County environment and education	2,877,815	1,190,271	183,792	5,167,934	3,664,182	
Roads and transportation	5,980,000	106,827	3,119,395	2,262,613	(491,165)	
Governmental services to residents	829,020	699,426	10,000	-	(119,594)	
Administration	2,845,549	62,507	51,807	-	(2,731,235)	
Non-program	488,234	35,266	-	-	(452,968)	
Interest on long-term debt	310,212	-	151,800	-	(158,412)	
Total primary government	<u>\$ 16,778,823</u>	<u>2,323,664</u>	<u>4,018,744</u>	<u>7,430,547</u>	<u>(3,005,868)</u>	
<b>Component Unit:</b>						
Dickinson County Conservation Foundation	<u>\$ 611,712</u>	<u>-</u>	<u>335,470</u>	<u>320,208</u>		<u>43,966</u>
<b>General Revenues:</b>						
Property and other county tax levied for:						
General purposes					10,559,820	-
Debt service					1,091,241	-
Tax increment financing					264,545	-
Penalty and interest on property tax					96,530	-
State tax credits and replacements					516,180	-
Local option sales tax					2,039,318	-
Hotel/motel tax					242,882	-
Unrestricted investment earnings					(139,338)	(76,368)
Gain on disposition of capital assets					358,714	-
Miscellaneous					11,545	-
Total general revenues					<u>15,041,437</u>	<u>(76,368)</u>
Change in net position					12,035,569	(32,402)
Net position beginning of year					79,381,891	682,009
Net position end of year					<u>\$ 91,417,460</u>	<u>649,607</u>

See notes to financial statements.

Dickinson County  
Balance Sheet  
Governmental Funds

June 30, 2022

	Special			
	General	Mental Health	Rural Services	Secondary Roads
<b>Assets</b>				
Cash, cash equivalents and pooled investments	\$ 11,000,320	-	1,666,829	5,260,753
Receivables:				
Property tax:				
Delinquent	1,313	64	885	-
Succeeding year	7,632,000	-	3,058,000	-
Succeeding year tax increment financing	-	-	-	-
Interest and penalty on property tax	4,578	-	-	-
Accounts	35,433	-	-	19,951
Loan to Lakes Regional Hospital	-	-	-	-
Accrued interest	25,769	-	-	-
Drainage assessments	-	-	-	-
Opioid settlement	-	-	-	-
Lease receivable	-	-	-	50,492
Advances to other funds	28,700	-	-	-
Due from other funds	77,608	-	-	-
Due from other governments	180,239	-	171,419	263,953
Inventories	-	-	-	758,211
Prepaid expenditures	27,666	-	-	-
<b>Total assets</b>	<b>\$ 19,013,626</b>	<b>64</b>	<b>4,897,133</b>	<b>6,353,360</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 76,610	-	1,133	1,043,625
Salaries and benefits payable	154,915	-	5,920	58,073
Due to other funds	-	-	-	-
Due to other governments	31,507	-	-	1,033
Advances from other funds	-	-	-	-
Unearned revenues	3,352,164	-	-	-
Total liabilities	3,615,196	-	7,053	1,102,731
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	7,632,000	-	3,058,000	-
Succeeding year tax increment financing	-	-	-	-
Other	69,708	64	60,256	936
Lease related	-	-	-	50,492
Total deferred inflows of resources	7,701,708	64	3,118,256	51,428
Fund balances:				
Nonspendable:				
Inventories	-	-	-	758,211
Advances to other funds	28,700	-	-	-
Prepaid expenditures	27,666	-	-	-
Restricted for:				
Rural services purposes	-	-	1,771,824	-
Secondary roads purposes	-	-	-	4,440,990
Conservation purposes	527,650	-	-	-
Trails purposes	-	-	-	-
Debt service	-	-	-	-
Opioid abatement	-	-	-	-
Other purposes	-	-	-	-
Assigned for:				
Buildings and grounds	1,120,680	-	-	-
Revolving loans	120,886	-	-	-
Unassigned	5,871,140	-	-	-
Total fund balances	7,696,722	-	1,771,824	5,199,201
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 19,013,626</b>	<b>64</b>	<b>4,897,133</b>	<b>6,353,360</b>

See notes to financial statements.

Revenue						
Drainage Districts	Dickinson County Trails	TIF and Urban Renewal	Debt Service	Nonmajor	Total	
-	3,520,140	224,759	180,038	1,308,360	23,161,199	
-	-	-	188	-	2,450	
-	-	-	810,000	-	11,500,000	
-	-	263,000	-	-	263,000	
-	-	-	-	-	4,578	
-	-	-	-	-	55,384	
-	-	-	8,135,000	-	8,135,000	
-	-	-	-	-	25,769	
1,977,552	-	-	-	-	1,977,552	
-	-	-	-	256,083	256,083	
-	-	-	-	-	50,492	
-	-	-	-	-	28,700	
-	-	-	-	-	77,608	
-	125,744	6,349	-	15,653	763,357	
-	-	-	-	-	758,211	
-	-	-	-	-	27,666	
1,977,552	3,645,884	494,108	9,125,226	1,580,096	47,087,049	
90,554	277,971	-	-	44,469	1,534,362	
-	-	-	-	-	218,908	
77,608	-	-	-	-	77,608	
-	6,988	-	-	1,906	41,434	
-	-	28,700	-	-	28,700	
-	-	-	-	-	3,352,164	
168,162	284,959	28,700	-	46,375	5,253,176	
-	-	-	810,000	-	11,500,000	
-	-	263,000	-	-	263,000	
1,977,552	24,260	-	188	15,653	2,148,617	
-	-	-	-	-	50,492	
1,977,552	24,260	263,000	810,188	15,653	13,962,109	
-	-	-	-	-	758,211	
-	-	-	-	-	28,700	
-	-	-	-	-	27,666	
-	-	-	-	-	1,771,824	
-	-	-	-	-	4,440,990	
-	-	-	-	-	527,650	
-	3,336,665	-	-	-	3,336,665	
-	-	202,408	8,315,038	-	8,517,446	
-	-	-	-	256,083	256,083	
-	-	-	-	1,261,985	1,261,985	
-	-	-	-	-	1,120,680	
-	-	-	-	-	120,886	
(168,162)	-	-	-	-	5,702,978	
(168,162)	3,336,665	202,408	8,315,038	1,518,068	27,871,764	
1,977,552	3,645,884	494,108	9,125,226	1,580,096	47,087,049	

**Dickinson County**

Dickinson County

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

June 30, 2022

**Total governmental fund balances (page 21)** \$ 27,871,764

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$100,968,609 and the accumulated depreciation/amortization is \$24,879,129. 76,089,480

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

Deferred inflows of resources	\$ 2,148,617	
Net pension asset	<u>1,321,505</u>	3,470,122

The Internal Service Fund is used by management to charge the costs of partial self-funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position. 813,751

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

Deferred outflows of resources	808,036	
Deferred inflows of resources	<u>(3,913,318)</u>	(3,105,282)

Long-term liabilities, including general obligation bonds, general obligation capital loan notes, urban renewal revenue notes, drainage warrants, compensated absences, 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. (13,722,375)

**Net position of governmental activities (page 18)** \$ 91,417,460

See notes to financial statements.

Dickinson County

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

Year ended June 30, 2022

	Special			
	General	Mental Health	Rural Services	Secondary Roads
<b>Revenues:</b>				
Property and other county tax	\$ 7,518,720	354,593	2,930,546	-
Tax increment financing	-	-	-	-
Local option sales tax	490,040	-	1,470,117	-
Interest and penalty on property tax	96,933	-	-	-
Intergovernmental	1,006,590	16,280	116,859	3,134,678
Licenses and permits	35,595	-	-	56,372
Charges for service	871,230	-	-	30
Use of money and property	(152,279)	-	-	21,660
Miscellaneous	213,336	-	-	19,958
<b>Total revenues</b>	<b>10,080,165</b>	<b>370,873</b>	<b>4,517,522</b>	<b>3,232,698</b>
<b>Expenditures:</b>				
Operating:				
Public safety and legal services	2,917,471	-	214,322	-
Physical health and social services	564,313	-	-	-
Mental health	-	539,283	-	-
County environment and education	1,486,413	-	540,380	-
Roads and transportation	-	-	-	6,076,755
Governmental services to residents	891,011	-	-	-
Administration	2,693,830	-	-	-
Non-program	155,904	-	-	-
Debt service	-	-	-	-
Capital projects	1,593	-	-	1,344,160
<b>Total expenditures</b>	<b>8,710,535</b>	<b>539,283</b>	<b>754,702</b>	<b>7,420,915</b>
Excess (deficiency) of revenues over (under) expenditures	1,369,630	(168,410)	3,762,820	(4,188,217)
<b>Other financing sources (uses):</b>				
Sale of capital assets	-	-	-	215,000
Transfers in	-	-	-	4,022,816
Transfers out	(845,276)	-	(3,507,540)	-
Drainage warrants issued	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(845,276)</b>	<b>-</b>	<b>(3,507,540)</b>	<b>4,237,816</b>
Change in fund balances	524,354	(168,410)	255,280	49,599
Fund balances beginning of year	7,172,368	168,410	1,516,544	5,149,602
Fund balances end of year	\$ 7,696,722	-	1,771,824	5,199,201

See notes to financial statements.

Revenue						
Drainage Districts	Dickinson County Trails	TIF and Urban Renewal	Debt Service	Nonmajor	Total	
-	-	-	1,091,307	-	11,895,166	
-	-	264,545	-	-	264,545	
-	-	-	-	-	1,960,157	
-	-	-	-	-	96,933	
-	436,867	13,888	203,969	383,012	5,312,143	
-	-	-	-	-	91,967	
-	-	-	-	169,831	1,041,091	
-	5,858	1,053	-	553	(123,155)	
767,437	2,870,707	-	-	304,364	4,175,802	
767,437	3,313,432	279,486	1,295,276	857,760	24,714,649	
-	-	-	-	116	3,131,909	
-	-	-	-	-	564,313	
-	-	-	-	-	539,283	
-	1,703,127	-	-	459,535	4,189,455	
-	-	-	-	-	6,076,755	
-	-	-	-	-	891,011	
-	-	-	-	197	2,694,027	
321,785	-	-	-	-	477,689	
464,114	-	65,786	2,237,770	-	2,767,670	
-	-	-	-	-	1,345,753	
785,899	1,703,127	65,786	2,237,770	459,848	22,677,865	
(18,462)	1,610,305	213,700	(942,494)	397,912	2,036,784	
-	-	-	-	-	215,000	
-	100,000	-	225,133	230,000	4,577,949	
-	-	(225,133)	-	-	(4,577,949)	
578,119	-	-	-	-	578,119	
578,119	100,000	(225,133)	225,133	230,000	793,119	
559,657	1,710,305	(11,433)	(717,361)	627,912	2,829,903	
(727,819)	1,626,360	213,841	9,032,399	890,156	25,041,861	
(168,162)	3,336,665	202,408	8,315,038	1,518,068	27,871,764	

Dickinson County

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

Year ended June 30, 2022

**Change in fund balances - Total governmental funds (page 25)** \$ 2,829,903

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

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

Expenditures for capital assets	\$ 5,843,770	
Capital assets contributed by the Iowa Department of Transportation	2,255,201	
Capital assets contributed by the Dickinson County Conservation Foundation	1,750,000	
Depreciation/amortization expense	<u>(3,214,442)</u>	6,634,529

In the Statement of Activities, the gain on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources. 143,714

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	(1,223)	
Other	<u>(301,232)</u>	(302,455)

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	(578,119)	
Repaid	<u>2,471,796</u>	1,893,677

The current year County share of IPERS contributions is reported as expenditures in the governmental funds but is reported as deferred outflows of resources in the Statement of Net Position. 528,965

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	(31,948)	
Interest on long-term debt	(9,999)	
Pension expense	424,341	
OPEB expense	<u>(54,862)</u>	327,532

The Internal Service Fund is used by management to charge the costs of partial self-funding of the County's employee health insurance benefit plan to individual funds. The change in net position of the Internal Service Fund is reported with governmental activities. (20,296)

**Change in net position of governmental activities (page 19)** \$ 12,035,569

See notes to financial statements.

Dickinson County  
Statement of Net Position  
Proprietary Fund  
June 30, 2022

	<u>Internal Service - Employee Group Health</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 830,730
<b>Liabilities</b>	
Accounts payable	<u>16,979</u>
<b>Net Position</b>	
Unrestricted	<u>\$ 813,751</u>

See notes to financial statements.

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

Year ended June 30, 2022

		<u>Internal Service - Employee Group Health</u>
Operating revenues:		
Reimbursements from operating funds		\$ 134,984
Reimbursements from others		<u>6,460</u>
Total operating revenues		141,444
Operating expenses:		
Medical claims	\$ 159,771	
Administrative fees	<u>4,986</u>	<u>164,757</u>
Operating loss		(23,313)
Non-operating revenues:		
Interest income		<u>3,017</u>
Net loss		(20,296)
Net position beginning of year		<u>834,047</u>
Net position end of year		<u>\$ 813,751</u>

See notes to financial statements.

Dickinson County  
Statement of Cash Flows  
Proprietary Fund  
Year ended June 30, 2022

	Internal Service - Employee Group Health
Cash flows from operating activities:	
Cash received from operating fund reimbursements	\$ 134,984
Cash received from others	6,460
Cash paid to suppliers for services	(194,778)
Net cash used by operating activities	(53,334)
Cash flows from investing activities:	
Interest on investments	3,017
Net decrease in cash and cash equivalents	(50,317)
Cash and cash equivalents beginning of year	881,047
Cash and cash equivalents end of year	\$ 830,730
<b>Reconciliation of operating loss to net cash used by operating activities:</b>	
Operating loss	\$ (23,313)
Adjustment to reconcile operating loss to net cash provided by operating activities:	
Changes in liabilities:	
Accounts payable	(30,021)
Net cash used by operating activities	\$ (53,334)

See notes to financial statements.

Dickinson County  
Statement of Fiduciary Net Position  
Custodial Funds

June 30, 2022

**Assets**

Cash, cash equivalents and pooled investments:

County Treasurer	\$ 1,778,807
Other County officials	238,690

Receivables:

Property tax:

Delinquent	16,031
Succeeding year	55,893,000

Accounts	9,261
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Special assessments	42,612
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Drainage assessments	59,202
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Due from other governments	48,317
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Prepaid insurance	5,656
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<b>Total assets</b>	<u>58,091,576</u>
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**Liabilities**

Accounts payable	26,626
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Salaries and benefits payable	13,660
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Due to other governments	1,201,616
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Trusts payable	86,706
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Compensated absences	46,909
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<b>Total liabilities</b>	<u>1,375,517</u>
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**Deferred Inflows of Resources**

Unavailable property tax revenue	<u>55,893,000</u>
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**Net position**

Restricted for individuals, organizations and other governments	<u>\$ 823,059</u>
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See notes to financial statements.

Dickinson County  
Statement of Changes in Fiduciary Net Position  
Custodial Funds

June 30, 2022

Additions:	
Property and other county tax	\$ 53,876,293
911 surcharge	210,614
State tax credits	2,833,941
Office fees and collections	1,831,853
Auto licenses, drivers' licenses, use tax and postage	8,509,945
Assessments	8,311
Trusts	358,165
Miscellaneous	<u>570,686</u>
Total additions	<u>68,199,808</u>
Deductions:	
Agency remittances:	
To other funds	811,596
To other governments	67,198,484
Trusts paid out	<u>343,564</u>
Total deductions	<u>68,353,644</u>
Change in net position	(153,836)
Net position beginning of year, as restated	<u>976,895</u>
Net position end of year	<u><u>\$ 823,059</u></u>

See notes to financial statements.

Dickinson County

Notes to Financial Statements

June 30, 2022

**(1) Summary of Significant Accounting Policies**

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

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

A. Reporting Entity

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

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

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

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

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

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

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

B. Basis of Presentation

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

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

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

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

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

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

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

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

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

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

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

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

Additionally, the County reports the following funds:

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 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 the amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in no more than 15 annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Special assessments receivable represent assessments which have been made but have not been collected.

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

Due from and Due to Other Funds – During the course of its operations, the County has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2022, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

Capital Assets – Capital assets, which include property, furniture and equipment and intangibles acquired after July 1, 1980 are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed under "Leases" below) 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 initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Asset Class</u>	<u>Amount</u>
Infrastructure	\$ 65,000
Land, buildings and improvements	25,000
Intangibles	25,000
Equipment and vehicles	5,000
Right-to-use leased assets	5,000

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

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

**Leases – County as Lessee:** Dickinson 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 Dickinson County determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

Dickinson 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:** Dickinson County is a lessor for two noncancellable leases 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 Dickinson County determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts.

Dickinson 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 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 government-wide and governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the County has not made a qualifying expenditure. Unearned revenue consists of unspent American Rescue Plan Act proceeds.

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and compensatory time for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in the governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2022. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, 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) attributed to governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services and Secondary Roads Funds.

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

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

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax and tax increment financing receivables which will not be recognized until the year for which they are levied, unrecognized items not yet charged to pension expense, the unamortized portion of the net difference between projected and actual earnings on pension plan assets and deferred amounts related to leases.

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

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

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

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

Unassigned – All amounts not included in the preceding classifications.

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

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2022, disbursements did not exceed the amounts budgeted. However, disbursements in certain departments exceeded the amounts appropriated prior to approval of an amendment.

**(2) Cash, Cash Equivalents and Pooled Investments**

The County's deposits in banks at June 30, 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 the following investments:

Investment	Fair Value	Maturity
Federal Home Loan Bank (FHLB)	\$ 276,984	May 2026
Federal Home Loan Bank (FHLB)	1,194,587	September 2026
Federal Home Loan Bank (FHLB)	368,373	October 2026
Federal Home Loan Bank (FHLB)	556,097	November 2026
Federal Home Loan Bank (FHLB)	566,470	February 2027
Federal Home Loan Bank (FHLB)	582,922	April 2027
Total	\$ 3,545,433	

At June 30, 2022, the Conservation Foundation, a discretely presented component unit, had the following investments:

Investment	Fair Value	Maturity
Mutual funds	\$ 480,060	N/A

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

The recurring fair value measurements for the mutual funds of \$480,060 were determined using the last reported sales price at current exchange rates. (Level 1 inputs).

The recurring fair value measurements for the FHLB securities of \$3,545,433 were determined using the last reported sales price (Level 2 inputs).

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

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

Credit risk – The FHLB investments at June 30, 2022 are rated AAA by Moody's Investors Service and AA+ by Standard & Poor's Financial Service.

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

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

**(3) Due From and Due to Other Funds**

The detail of interfund receivables and payables at June 30, 2022 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Special Revenue: Drainage Districts	<u>\$ 77,608</u>

**(4) Advances To and From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Special Revenue: TIF and Urban Renewal	<u>\$ 28,700</u>

During fiscal year 2020, the County approved an interfund loan from the General Fund to the Special Revenue, TIF and Urban renewal Fund not to exceed \$75,000. The interfund loan was made to make the necessary debt service payments on the urban revitalization bond. During the year ended June 30, 2022, the County advanced \$10,700.

**(5) Interfund Transfers**

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

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Special Revenue: Secondary Roads	General	\$ 515,276
	Special Revenue: Rural Services	<u>3,507,540</u>
		<u>4,022,816</u>
Dickinson County Trails	General	<u>100,000</u>
Trails Maintenance	General	<u>150,000</u>
Francis Sites	General	<u>80,000</u>
Debt Service	Special Revenue: TIF and Urban Renewal	<u>225,133</u>
Total		<u>\$ 4,577,949</u>

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

**(6) Capital Assets**

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

	Restated, Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Governmental activities:</b>				
Capital assets not being depreciated/amortized:				
Land	\$ 7,691,742	1,768,067	-	9,459,809
Intangibles, road network	529,900	-	-	529,900
Construction in progress, road network	116,515	3,508,867	(641,908)	2,983,474
Construction in progress	7,363,446	2,382,437	(2,742,644)	7,003,239
Total capital assets not being depreciated/amortized	15,701,603	7,659,371	(3,384,552)	19,976,422
Capital assets being depreciated/amortized:				
Buildings	22,620,660	-	(70,357)	22,550,303
Improvements other than buildings	322,714	132,766	-	455,480
Equipment and vehicles	11,666,167	2,209,276	(839,565)	13,035,878
Right-to-use leased equipment	17,473	-	-	17,473
Intangibles, other	-	30,533	-	30,533
Infrastructure, road network	31,300,509	641,908	-	31,942,417
Infrastructure, other	10,217,459	2,742,644	-	12,960,103
Total capital assets being depreciated/amortized	76,144,982	5,757,127	(909,922)	80,992,187
Less accumulated depreciation/amortized for:				
Buildings	4,591,052	457,763	(56,286)	4,992,529
Improvements other than buildings	36,665	25,055	-	61,720
Equipment and vehicles	5,603,065	839,586	(814,375)	5,628,276
Right-to-use leased equipment	-	4,032	-	4,032
Intangibles, other	-	3,053	-	3,053
Infrastructure, road network	9,691,471	1,358,750	-	11,050,221
Infrastructure, other	2,613,095	526,203	-	3,139,298
Total accumulated depreciation/amortized	22,535,348	3,214,442	(870,661)	24,879,129
Total capital assets being depreciated/amortized, net	53,609,634	2,542,685	(39,261)	56,113,058
Governmental activities capital assets, net	\$ 69,311,237	10,202,056	(3,423,813)	76,089,480

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 133,171
Physical health and social services	512
County environment and education	587,105
Roads and transportation	2,083,446
Governmental services to residents	17,603
Administration	392,605
Total depreciation/amortization expense - governmental activities	<u>\$ 3,214,442</u>

**(7) County Farm Lease Receivable**

The County owns the Leith Pit Farm. Effective April 1, 2022 with an initial payment on July 1, 2022, the County entered into a three-year lease with a local farmer to operate whereby the farmer operates the Farm. The County is to receive \$6,650 in land rent annually with an implicit rate of 4.0%.

The County owns the Morfit Farm. Effective April 1, 2022, the County entered into a three-year lease with the farmer whereby the farmer operates the Farm. The County is to receive \$11,025 in land rent annually with an implicit rate of 4.0%.

Year Ending June 30,	Leith Pit Amount	Morfit Amount	Total
2023	\$ 6,650	11,025	17,675
2024	6,650	11,025	17,675
2025	6,650	11,025	17,675
Total	19,950	33,075	53,025
Less interest	(953)	(1,580)	(2,533)
Present value	\$ 18,997	31,495	50,492

**(8) 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	\$ 31,507
Special Revenue:		
Secondary Roads	Services	1,033
Dickinson County Trails	Services	6,988
Waste Management Reduction	Services	40
Trails Maintenance	Services	1,866
Total for governmental funds		<u>\$ 41,434</u>
Agency:		
County Offices	Collections	\$ 151,984
Agricultural Extension Education		1,200
County Assessor		526
Schools		127,099
Community Colleges		14,946
Corporations		76,612
Townships		2,819
Auto License, Use Tax and Drivers' License		668,372
All other		158,058
Total for agency funds		<u>\$ 1,201,616</u>

**(9) Long-Term Liabilities**

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

	Lease Agreements	General Obligation Bonds	General Obligation Capital Loan Notes - Direct Borrowing	Urban Renewal Revenue Notes - Direct Borrowing	Drainage Warrants - Direct Borrowing	Compensated Absences	Total OPEB Liability	Net Pension Liability/ (Asset)	Total
Balance beginning of year, restated	\$ 17,473	12,405,000	379,000	274,869	1,612,783	393,568	224,435	3,715,824	19,022,952
Increases	-	-	-	-	578,119	355,550	100,037	-	1,033,706
Decreases	4,339	1,985,000	43,000	57,919	381,538	323,602	45,175	5,037,329	7,877,902
Balance end of year	\$ 13,134	10,420,000	336,000	216,950	1,809,364	425,516	279,297	(1,321,505)	12,178,756
Due within one year	\$ 4,338	1,910,000	44,000	59,681	299,178	271,618	23,350	-	2,612,165

Lease Agreements

On June 22, 2020, the County entered into a lease agreement for a postage machine. An initial lease liability was recorded in the amount of \$17,473. The agreement requires quarterly payments of \$1,111 over 5 years with an initial payment made August 11, 2020 with an implicit interest rate of 2.75% and final payment due May 11, 2025. During the year ended June 30, 2022, principal and interest paid were \$4,339 and \$105, respectively.

Year Ending June 30,	Courthouse Postage Machine		
	Principal	Interest	Total
2023	\$ 4,338	106	4,444
2024	4,378	66	4,444
2025	4,418	26	4,444
Total	\$ 13,134	198	13,332

General Obligation Bonds

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

Year Ending June 30,	East Okoboji Beach Urban Renewal Refunding Bonds Issued Oct 11, 2016			Courthouse Construction Urban Renewal Refunding Bonds Issued Oct 11, 2016		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
	2023	1.50%	\$ 150,000	22,750	1.25%	\$ 1,015,000
2024	1.50	150,000	20,500	-	-	-
2025	1.75	150,000	18,250	-	-	-
2026	1.75	150,000	15,626	-	-	-
2027	1.75	160,000	13,000	-	-	-
2028-2030	2.00	510,000	20,700	-	-	-
Total		\$ 1,270,000	110,826		\$ 1,015,000	12,688

Year Ending June 30,	Hospital Refunding Bonds Issued Sep 22, 2020			Totals		
	Interest Rates	Principal	Interest	Principal	Interest	Total
2023	2.00%	\$ 745,000	137,100	\$ 1,910,000	172,538	2,082,538
2024	2.00	760,000	122,200	910,000	142,700	1,052,700
2025	2.00	775,000	107,000	925,000	125,250	1,050,250
2026	2.00	800,000	91,500	950,000	107,126	1,057,126
2027	2.00	810,000	75,500	970,000	88,500	1,058,500
2028-2032	1.10-2.00	4,245,000	171,200	4,755,000	191,900	4,946,900
Total		\$ 8,135,000	704,500	\$ 10,420,000	828,014	11,248,014

General Obligation Refunding Bonds

On October 11, 2016, the County issued \$2,405,000 of general obligation refunding bonds, series 2016A, with interest rates ranging from 1.50% to 2.00% per annum. The bonds were issued to refund the \$2,280,000 outstanding balance of general obligation bonds issued May 1, 2009. During the year ended June 30, 2022, the County paid principal of \$150,000 and interest of \$25,000 on the bonds.

On October 11, 2016, the County issued \$5,170,000 of general obligation refunding capital loan notes for a crossover advance refunding of \$5,085,000 of general obligation capital loan notes dated April 1, 2009. The notes bear interest at rates ranging from 1.15% to 1.25% per annum and mature May 1, 2023. During the year ended June 30, 2022, the County paid principal of \$1,100,000 and interest of \$25,338 on the bonds.

On September 22, 2020, the County issued \$9,650,000 of general obligation refunding bonds with interest rates ranging from 1.10% to 2.00% per annum. The County used the proceeds, premium and \$214,352 from the County Hospital to currently refund the outstanding balance of \$10,000,000 of the 2012 hospital urban renewal bonds and pay the issuance cost of the new debt. During the year ended June 30, 2022, the County paid principal of \$735,000 and interest of \$151,800 on the bonds.

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

General Obligation Capital Loan Notes – Direct Borrowing

On May 6, 2009, the County entered into a general obligation capital loan note agreement with the Iowa Finance Authority for up to \$929,000 to pay for expenditures incurred in conjunction with one or more urban renewal projects in the East Okoboji Beach Urban Renewal Area. Projects include the construction of roads, water, sewer and storm sewer improvements. The total amount drawn was \$829,749. The capital loan notes bear interest at 1.75% per annum with final maturity on June 1, 2029. The first payment on the capital loan notes was due May 1, 2010. During the year ended June 30, 2022, the County paid principal and interest of \$43,000 and \$6,633, respectively, on the 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,	General Obligation Capital Loan Notes East Okoboji Beach Urban Renewal Area Issued May 6, 2009		
	Interest Rates	Principal	Interest
	2023	1.75%	\$ 44,000
2024	1.75	45,000	5,110
2025	1.75	47,000	4,323
2026	1.75	48,000	3,500
2027	1.75	49,000	2,660
2028-2029	1.75	103,000	2,713
Total		\$ 336,000	24,186

Urban Renewal Revenue Notes – Direct Borrowing

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

On August 28, 2012, the Board of Supervisors approved an amendment to the loan agreement providing for the reissuance of \$630,000 of urban renewal revenue notes plus \$91,793 of delinquent principal, as well as amending the repayment schedule and interest rate. Principal and interest remaining on the notes of \$230,250 is payable through December 2025. For the current year, principal and interest paid on the urban renewal revenue notes were \$57,919 and \$7,867, respectively.

A summary of the County's June 30, 2022 urban renewal revenue notes indebtedness is as follows:

Year	Interest	Principal	Interest	Total
Ending	Rates			
June 30,				
2023	3.02%	\$ 59,681	6,105	65,786
2024	3.02	61,497	4,289	65,786
2025	3.02	63,368	2,417	65,785
2026	3.02	32,404	489	32,893
Total		\$ 216,950	13,300	230,250

Drainage Warrants – Direct Borrowing

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

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

**(10) Lakes Regional Hospital Loan Receivable**

As detailed in Note 9 of the Notes to Financial Statements, the County loaned bond proceeds to Lakes Regional Hospital. Under the loan agreement, Lakes Regional Hospital is to make payments to the County equal to the payments the County is required to make on the general obligation refunding hospital bonds.

**(11) 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](http://www.ipers.org).

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

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

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

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

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

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

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

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

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

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

In fiscal year 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 \$528,965.

Net Pension Asset, Pension Expense (Reduction), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2022, the County reported an asset of \$1,321,505 for its proportionate share of the overall plan net pension asset. The overall plan net 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 0.382793%, which was an increase of 0.329897% over its collective proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the County recognized pension expense (reduction) of \$(424,341). 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	\$ 153,923	60,459
Changes of assumptions	61,187	37,352
Net difference between projected and actual earnings on IPERS' investments	-	3,789,715
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	63,961	25,792
County contributions subsequent to the measurement date	528,965	-
Total	<u>\$ 808,036</u>	<u>3,913,318</u>

\$528,965 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	\$ (904,063)
2024	(896,081)
2025	(834,964)
2026	(1,011,670)
2027	12,531
Total	<u>\$ (3,634,247)</u>

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 assumptions applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 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	<u>100.0%</u>	

Discount Rate – The discount rate used to measure the total pension liability (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 (asset)	\$ 2,148,945	(1,321,505)	(4,228,685)

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](http://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.

**(12) Other Postemployment Benefits (OPEB)**

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

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

Retired participants must be age 55 or older at retirement. At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1
Active employees	<u>92</u>
Total	<u>93</u>

Total OPEB Liability – The County’s total OPEB liability of \$279,297 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 alternative measurement method permitted under GASB Statement No. 75, a simplified version of the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2022)	3.00% per annum.
Rates of salary increase (effective June 30, 2022)	3.00% per annum, including inflation.
Discount rate (effective June 30, 2022)	3.54% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2022)	5.00% per annum.

Discount Rate – The discount rate used to measure the total OPEB liability was 3.54% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the 2016 United State Life Tables.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 224,435
Changes for the year:	
Service cost	21,093
Interest	5,168
Differences between expected and actual experiences	73,776
Changes in assumptions	(21,825)
Benefit payments	<u>(23,350)</u>
Net changes	<u>54,862</u>
Total OPEB liability end of year	<u>\$ 279,297</u>

Changes of assumptions reflect a change in the discount rate of 2.21% in fiscal year 2021 to 3.54% 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 (2.54%) or 1% higher (4.54%) than the current discount rate.

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	\$ 295,727	279,297	262,925

Sensitivity of the County's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (4.00%) or 1% higher (6.00%) than the current healthcare cost trend rates.

	1% Decrease (4.00%)	Healthcare Cost Trend Rate (5.00%)	1% Increase (6.00%)
Total OPEB liability	\$ 255,240	279,297	307,569

OPEB Expense – For the year ended June 30, 2022, the County recognized OPEB expense of \$78,212. The County did not report deferred outflows of resources related to OPEB as the alternative measurement method was used which immediately recognizes changes of assumptions and the difference between expected and actual experience with regard to economic and demographic factors in OPEB expense.

**(13) Revolving Loan Account**

The Revolving Economic Development Account was established within the General Fund to promote economic development in the County through grants and loans. Upon receipt of loan payments from the businesses, the funds remain in the Revolving Economic Development Account for subsequent loans to other businesses. There are no outstanding loans at June 30, 2022.

**(14) 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 \$304,926.

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 \$50,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**(15) Public Health**

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

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

**(16) Employee Health Insurance Plan**

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

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Secure Benefits Systems from the Employee Group Health Fund. The County's contribution to the fund for the year ended June 30, 2022 was \$134,984.

The amounts payable from the Employee Group Health Fund at June 30, 2022 for incurred but not reported (IBNR) and reported but not paid claims has not been determined since the County was not required to obtain an actuarial opinion.

**(17) Tax Abatements**

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

**Tax Abatements of Other Entities**

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

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

Entity	Tax Abatement Program	Amount of Tax Abated
City of Lake Park	Urban renewal and economic development projects	\$ 2,421
City of Milford	Urban renewal and economic development projects	33,250
City of Spirit Lake	Urban renewal and economic development projects	13,720
City of Terril	Urban renewal and economic development projects	4,795

**(18) Jointly Governed Organization**

The County participates in the Dickinson County Water Quality Commission, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa. Financial transactions of this organization are included in the County's financial statements as part of the Other Custodial Funds because of the County's fiduciary relationship with the organization. The following financial data is for the year ended June 30, 2022:

Additions:

Contributions from governmental units:

Dickinson County	\$ 84,400	
Dickinson County Soil and Water Conservation District	3,625	
Iowa Department of Natural Resources	168,111	
City of Spirit Lake	28,000	
City of Okoboji	23,000	
City of Wahpeton	16,000	
City of Arnolds Park	14,800	
City of Milford	13,000	
City of West Okoboji	7,600	
City of Orleans	6,600	
City of Lake Park	4,200	
City of Superior	1,400	
City of Terril	1,000	\$ 371,736
Interest on investments		991
Total additions		372,727

Deductions:

Dickinson County Soil and Water Conservation District	30,000	
Dickinson County Conservation	39,182	
East Lake Okoboji Improvement Corporation	100,000	
Silver Lake Park Improvement Association	37,977	
Ducks Unlimited Inc.	100,000	
Okoboji Protective Association	25,000	
Miscellaneous	122	332,281
Net		40,446
Balance beginning of year		225,641
Balance end of year		\$ 266,087

**(19) Development Agreements**

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

Dickinson County/Spirit Lake Urban Renewal Area – In July 2005, the County entered into a private development agreement for an urban renewal project with the City of Spirit Lake and two private developers. The agreement provided the County would make a forgivable loan of \$700,000 to the developers in exchange for the construction of certain minimum improvements located within the County’s TIF district. Urban revitalization bonds totaling \$790,000 were sold during the year ended June 30, 2006 and \$700,000 was forwarded to the developers. In addition, the County agreed to purchase a parcel of real estate for \$350,000 from the developers. The parcel was purchased during the year ended June 30, 2006. The loans are to be amortized and forgiven in annual amounts provided the developers comply with all requirements stipulated within the agreements. During the year ended June 30, 2022, \$65,786 was provided for debt service on the urban revitalization bonds. Property tax levied for fiscal year 2023 totals \$45,000.

West Sioux Estates Urban Renewal Area – In September 2005, the County entered into an agreement with the City of Milford to establish an urban renewal area. The project involves roadway improvements of approximately 2,800 linear feet on 193<sup>rd</sup> Avenue. The County’s primary objective in this urban renewal area is to promote new residential development. The cost of paving, including engineering, is estimated to be between \$400,000 and \$500,000. The County is going to use TIF revenue to support this residential development. Under the plan, 37% of the TIF revenue generated by the project must be used to provide assistance to low-and-moderate-income (LMI) families. As a result, the amount set aside for LMI housing projects would range between \$148,000 and \$185,000. The amount of LMI funds held by the County for this project at June 30, 2022 in the Special Revenue, Low and Moderate Income Fund was \$79,135. No property tax has been levied for fiscal year 2023.

Dickinson County/Orleans Urban Renewal Area – In April 2006, the County established an urban renewal area for the purpose of stimulating, through public involvement and commitment, private investment in a new residential development. The project involves roadway, water and sanitary sewer system improvements to support the development of 64 new single-family residential lots. The County is using tax increment financing to support this residential development, which has an estimated total cost of \$1,230,000, including low-and-moderate-income (LMI) funds which are to be set aside. In addition, general obligation bonds totaling \$700,000 were sold during the year ended June 30, 2009 for additional construction costs. For this urban renewal area, 37% of the TIF revenues generated by the project must be used to provide assistance to LMI families. The amount of LMI funds held by the County for this project at June 30, 2022 in the Special Revenue, Low and Moderate Income Fund was \$371,619. The estimated costs will be the City’s cost of \$30,000 for installing water main extensions, roadway improvements by the County of \$580,000 and water and sewer system improvements of approximately \$620,000. No property tax has been levied for fiscal year 2023.

**(20) Deficit Fund Balances**

The Special Revenue, Drainage Districts Fund had deficit unassigned fund balances of \$168,162 at June 30, 2022. The deficit balances will be eliminated through future drainage assessments.

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

Sioux Rivers Regional Mental Health and Disability Services, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa, includes the following member counties: Dickinson County, Emmet County, Lyon County, O'Brien County, Plymouth County and Sioux County. The financial activity of Dickinson County's Special Revenue, Mental Health Fund is included as part of the Sioux Rivers Regional Mental Health and Disability Services, for the year ended June 30, 2022 as follows:

Revenues:		
Property and other county tax		\$ 354,593
Intergovernmental revenues:		
State tax credits	\$ 16,042	
Other intergovernmental revenues	<u>238</u>	<u>16,280</u>
Total revenues		<u>370,873</u>
Expenditures:		
Services to persons with		
Mental illness		104,287
General administration:		
Direct administration	80,288	
Distribution to regional fiscal agent	<u>354,708</u>	<u>434,996</u>
Total expenditures		<u>539,283</u>
Excess of expenditures over revenues		(168,410)
Fund balance beginning of the year		<u>168,410</u>
Fund balance end of the year		<u>\$ -</u>

**(22) 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 payment from the Defendant companies over the next seventeen years. The County is required to use the funds for activities to remediate the opioid crisis and treat or mitigate opioid use disorder and related disorders through prevention, harm reduction, treatment and recovery services.

**(23) 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	\$ 69,293,764	-
Change to implement GASBS No. 87	17,473	17,473
Balances July 1, 2021, as restated	\$ 69,311,237	17,473

**(24) Prospective Accounting Change**

Governmental Accounting Standards Board Statement 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 of the right to use another party's information technology software alone or in combination with tangible capital assets that are not currently reported.

**Dickinson County**

**Required Supplementary Information**

Dickinson County

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

Required Supplementary Information

Year ended June 30, 2022

	Actual	Less Funds not Required to be Budgeted	Net
<b>Receipts:</b>			
Property and other county tax	\$ 14,105,920	-	14,105,920
Interest and penalty on property tax	96,933	-	96,933
Intergovernmental	6,901,114	-	6,901,114
Licenses and permits	76,200	-	76,200
Charges for service	1,010,684	-	1,010,684
Use of money and property	130,726	-	130,726
Miscellaneous	3,993,707	767,437	3,226,270
<b>Total receipts</b>	<b>26,315,284</b>	<b>767,437</b>	<b>25,547,847</b>
<b>Disbursements:</b>			
Public safety and legal services	3,126,657	-	3,126,657
Physical health and social services	560,918	-	560,918
Mental health	543,628	-	543,628
County environment and education	4,146,558	-	4,146,558
Roads and transportation	5,359,574	-	5,359,574
Governmental services to residents	884,352	-	884,352
Administration	2,681,034	-	2,681,034
Non-program	431,407	239,884	191,523
Debt service	1,880,870	464,114	1,416,756
Capital projects	1,270,720	-	1,270,720
<b>Total disbursements</b>	<b>20,885,718</b>	<b>703,998</b>	<b>20,181,720</b>
Excess (deficiency) of receipts over (under) disbursements	5,429,566	63,439	5,366,127
Other financing sources, net	793,119	578,119	215,000
Changes in balances	6,222,685	641,558	5,581,127
Balance beginning of year	17,193,081	(719,166)	17,912,247
Balance end of year	<b>\$ 23,415,766</b>	<b>(77,608)</b>	<b>23,493,374</b>

See accompanying independent auditor's report.

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Budgeted Amounts		Final to
Original	Final	Net Variance
13,475,850	13,475,850	630,070
37,200	37,200	59,733
8,919,626	10,680,708	(3,779,594)
76,100	76,100	100
847,025	847,025	163,659
143,283	143,283	(12,557)
525,652	525,652	2,700,618
24,024,736	25,785,818	(237,971)
3,346,190	3,356,190	229,533
679,224	684,224	123,306
526,196	818,196	274,568
8,528,897	8,528,897	4,382,339
5,330,960	6,030,960	671,386
942,566	942,566	58,214
2,744,611	4,665,170	1,984,136
111,300	196,300	4,777
1,416,758	1,416,758	2
2,577,500	2,577,500	1,306,780
26,204,202	29,216,761	9,035,041
(2,179,466)	(3,430,943)	8,797,070
500	500	214,500
(2,178,966)	(3,430,443)	9,011,570
12,041,883	12,041,883	5,870,364
9,862,917	8,611,440	14,881,934

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Dickinson 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	\$ 26,315,284	(1,600,635)	24,714,649
Expenditures	20,885,718	1,792,147	22,677,865
Net	5,429,566	(3,392,782)	2,036,784
Other financing sources, net	793,119	-	793,119
Beginning fund balances	17,193,081	7,848,780	25,041,861
Ending fund balances	<u>\$ 23,415,766</u>	<u>4,455,998</u>	<u>27,871,764</u>
Unrealized loss on investments*	<u>(254,567)</u>		
Cash, cash equivalents and pooled investments	<u>\$ 23,161,199</u>		

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

See accompanying independent auditor's report.

Dickinson County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2022

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

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

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds and the Debt Service Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, one budget amendment increased budgeted disbursements by \$3,012,559. The budget amendments are reflected in the final budgeted amounts.

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

During the year ended June 30, 2022, disbursements did not exceed the amounts budgeted by function. However, disbursements in certain departments exceeded the amounts appropriated prior to approval of an amendment.

Dickinson County

Schedule of the County's Proportionate Share of the Net Pension Liability (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	0.382793% **	0.052896%	0.050011%	0.050674%
County's proportionate share of the net pension liability (asset)	\$ (1,322)	3,716	2,896	3,207
County's covered payroll	\$ 5,559	5,403	5,240	4,937
County's proportionate share of the net pension liability as a percentage of its covered payroll	-23.78%	68.78%	55.27%	64.96%
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.

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2018	2017	2016	2015
0.051349%	0.053328%	0.048162%	0.049831%
3,420	3,356	2,379	1,976
4,625	4,634	4,301	4,226
73.95%	72.42%	55.31%	46.76%
82.21%	81.82%	85.19%	87.61%

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Dickinson 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	\$ 529	525	514	502
Contributions in relation to the statutorily required contribution	(529)	(525)	(514)	(502)
Contribution deficiency (excess)	\$ -	-	-	-
County's covered payroll	\$ 5,645	5,559	5,403	5,240
Contributions as a percentage of covered payroll	9.37%	9.44%	9.51%	9.58%

See accompanying independent auditor's report.

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2018	2017	2016	2015	2014	2013
449	422	424	395	386	372
(449)	(422)	(424)	(395)	(386)	(372)
-	-	-	-	-	-
4,937	4,625	4,634	4,301	4,226	4,194
9.09%	9.12%	9.15%	9.18%	9.13%	8.87%

Dickinson County

Notes to Required Supplementary Information – Pension Liability (Asset)

Year ended June 30, 2022

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

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

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

Dickinson County

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

For the Last Five Years  
Required Supplementary Information

	2022	2021	2020	2019	2018
Service cost	\$ 21,093	20,479	14,741	14,312	8,994
Interest cost	5,168	4,902	8,380	8,114	5,974
Difference between expected and actual experiences	73,776	-	(43,326)	-	48,842
Changes in assumptions	(21,825)	-	28,433	-	23,432
Benefit payments	(23,350)	(4,572)	(12,783)	(19,159)	(12,175)
Net change in total OPEB liability	54,862	20,809	(4,555)	3,267	75,067
Total OPEB liability beginning of year	224,435	203,626	208,181	204,914	129,847
Total OPEB liability end of year	\$ 279,297	224,435	203,626	208,181	204,914
Covered-employee payroll	\$ 5,370,104	5,204,349	5,052,766	4,590,957	4,457,240
Total OPEB liability as a percentage of covered-employee payroll	5.20%	4.31%	4.03%	4.53%	4.60%

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 in benefit terms:*

There were no significant changes in benefit terms.

*Changes in assumptions:*

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

Year ended June 30, 2022	3.54%
Year ended June 30, 2021	2.21%
Year ended June 30, 2020	2.21%
Year ended June 30, 2019	3.87%
Year ended June 30, 2018	3.87%
Year ended June 30, 2017	4.50%

**Dickinson County**

## **Supplementary Information**

Dickinson County  
 Combining Balance Sheet  
 Nonmajor Governmental Funds

June 30, 2022

	County Recorder's Records Management	Sheriff Forfeiture	Resource Enhancement and Protection	Special Confiscated Property Fees
<b>Assets</b>				
Cash, cash equivalents and pooled investments:	\$ 141,746	5,227	19,688	13,588
Receivables:				
Opioid settlement	-	-	-	-
Due from other governments	-	-	-	53
<b>Total assets</b>	<b>\$ 141,746</b>	<b>5,227</b>	<b>19,688</b>	<b>13,641</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ -	-	-	-
Due to other governments	-	-	-	-
Total liabilities	-	-	-	-
Deferred inflows of resources:				
Unavailable revenues	-	-	-	53
Fund balances:				
Restricted for:				
Opioid abatement	-	-	-	-
Other purposes	141,746	5,227	19,688	13,588
<b>Total fund balance</b>	<b>141,746</b>	<b>5,227</b>	<b>19,688</b>	<b>13,588</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 141,746</b>	<b>5,227</b>	<b>19,688</b>	<b>13,641</b>

See accompanying independent auditor's report.

Revenue							
Low and Moderate Income	Waste Management Reduction	Supplemental Environmental Project	Francis Sites	Trails Maintenance	Opioid Abatement	Total	
450,754	147,739	3	387,059	142,556	-	1,308,360	
-	-	-	-	-	256,083	256,083	
-	-	-	-	15,600	-	15,653	
450,754	147,739	3	387,059	158,156	256,083	1,580,096	
-	31,718	-	-	12,751	-	44,469	
-	40	-	-	1,866	-	1,906	
-	31,758	-	-	14,617	-	46,375	
-	-	-	-	15,600	-	15,653	
-	-	-	-	-	256,083	256,083	
450,754	115,981	3	387,059	127,939	-	1,261,985	
450,754	115,981	3	387,059	127,939	256,083	1,518,068	
450,754	147,739	3	387,059	158,156	256,083	1,580,096	

Dickinson County

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

Year ended June 30, 2022

	Special			
	County Recorder's Records Management	Sheriff Forfeiture	Resource Enhancement and Protection	Confiscated Property Fees
<b>Revenues:</b>				
Intergovernmental	\$ -	-	11,032	-
Charges for service	8,010	-	-	-
Use of money and property	480	18	52	-
Miscellaneous	-	-	-	1,099
Total revenues	8,490	18	11,084	1,099
<b>Expenditures:</b>				
Operating:				
Public safety and legal services	-	-	-	116
County environment and education	-	-	-	-
Administration	-	-	-	-
Total expenditures	-	-	-	116
Excess (deficiency) of revenues over (under) expenditures	8,490	18	11,084	983
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Change in fund balances	8,490	18	11,084	983
Fund balances (deficits) beginning of year	133,256	5,209	8,604	12,605
Fund balances end of year	\$ 141,746	5,227	19,688	13,588

See accompanying independent auditor's report.

Revenue								
Low and Moderate Income	Waste Management Reduction	Supplemental Environmental Project	Francis Sites	Trails Maintenance	Opioid Abatement	Courthouse Memorial	Total	
-	-	-	360,000	11,980	-	-	383,012	
-	161,821	-	-	-	-	-	169,831	
-	-	-	-	-	-	3	553	
-	-	-	47,182	-	256,083	-	304,364	
-	161,821	-	407,182	11,980	256,083	3	857,760	
-	-	-	-	-	-	-	116	
-	150,786	-	169,354	139,395	-	-	459,535	
-	-	-	-	-	-	197	197	
-	150,786	-	169,354	139,395	-	197	459,848	
-	11,035	-	237,828	(127,415)	256,083	(194)	397,912	
-	-	-	80,000	150,000	-	-	230,000	
-	11,035	-	317,828	22,585	256,083	(194)	627,912	
450,754	104,946	3	69,231	105,354	-	194	890,156	
450,754	115,981	3	387,059	127,939	256,083	-	1,518,068	

Dickinson County

Combining Schedule of Fiduciary Net Position  
Custodial Funds

June 30, 2022

	County Offices	Agricultural Extension Education	County Assessor	Schools
<b>Assets</b>				
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ -	1,200	201,802	127,099
Other County officials	221,604	-	-	-
Receivables:				
Property tax:				
Delinquent	-	47	103	5,150
Succeeding year	-	266,000	618,000	27,474,000
Accounts	-	-	-	-
Special assessments	-	-	-	-
Drainage assessments	-	-	-	-
Due from other governments	-	-	-	-
Prepaid insurance	-	-	-	-
<b>Total assets</b>	<b>\$ 221,604</b>	<b>267,247</b>	<b>819,905</b>	<b>27,606,249</b>
<b>Liabilities</b>				
Accounts payable	-	-	8	-
Salaries and benefits payable	-	-	10,971	-
Due to other governments	151,984	1,200	526	127,099
Trusts payable	69,620	-	-	-
Compensated absences	-	-	29,959	-
<b>Total liabilities</b>	<b>\$ 221,604</b>	<b>1,200</b>	<b>41,464</b>	<b>127,099</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	\$ -	266,000	618,000	27,474,000
<b>Net Position</b>				
Restricted for individuals, organizations and other governments	\$ -	47	160,441	5,150

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License, Use Tax and Drivers' License	Other	Total
14,946	76,612	2,819	668,372	685,957	1,778,807
-	-	-	-	17,086	238,690
576	8,257	154	-	1,744	16,031
3,500,000	15,892,000	518,000	-	7,625,000	55,893,000
-	-	-	-	9,261	9,261
-	10,555	-	-	32,057	42,612
-	-	-	-	59,202	59,202
-	-	-	-	48,317	48,317
-	-	-	-	5,656	5,656
3,515,522	15,987,424	520,973	668,372	8,484,280	58,091,576
-	-	-	-	26,618	26,626
-	-	-	-	2,689	13,660
14,946	76,612	2,819	668,372	158,058	1,201,616
-	-	-	-	17,086	86,706
-	-	-	-	16,950	46,909
14,946	76,612	2,819	668,372	221,401	1,375,517
3,500,000	15,892,000	518,000	-	7,625,000	55,893,000
576	18,812	154	-	637,879	823,059

Dickinson County

Combining Schedule of Changes in Fiduciary Net Position  
Custodial Funds

Year ended June 30, 2022

	County Offices	Agricultural Extension Education	County Assessor	Schools
<b>Assets and Liabilities</b>				
Additions:				
Property and other county tax	\$ -	258,533	573,417	26,684,526
911 surcharges	-	-	-	-
State tax credits	-	11,697	25,942	1,222,532
Office fees and collections	1,831,853	-	-	-
Auto licenses, drivers' licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	285,433	-	-	-
Miscellaneous	-	174	386	17,960
Total additions	2,117,286	270,404	599,745	27,925,018
Deductions:				
Agency remittances:				
To other funds	530,338	-	-	-
To other governments	1,316,116	270,425	486,112	27,926,665
Trusts paid out	270,832	-	-	-
Total deductions	2,117,286	270,425	486,112	27,926,665
Changes in net position	-	(21)	113,633	(1,647)
Net position beginning of year	-	68	46,808	6,797
Net position end of year	\$ -	47	160,441	5,150

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License, Use Tax and Drivers' License	Other	Total
3,223,356	15,335,480	486,996	-	7,313,985	53,876,293
-	-	-	-	210,614	210,614
147,125	1,103,852	24,537	-	298,256	2,833,941
-	-	-	-	-	1,831,853
-	-	-	8,509,945	-	8,509,945
-	(34,207)	-	-	42,518	8,311
-	-	-	-	72,732	358,165
2,138	-	919	-	549,109	570,686
<u>3,372,619</u>	<u>16,405,125</u>	<u>512,452</u>	<u>8,509,945</u>	<u>8,487,214</u>	<u>68,199,808</u>
-	-	-	281,258	-	811,596
3,372,870	16,459,779	512,519	8,228,687	8,625,311	67,198,484
-	-	-	-	72,732	343,564
<u>3,372,870</u>	<u>16,459,779</u>	<u>512,519</u>	<u>8,509,945</u>	<u>8,698,043</u>	<u>68,353,644</u>
(251)	(54,654)	(67)	-	(210,829)	(153,836)
827	73,466	221	-	848,708	976,895
<u>576</u>	<u>18,812</u>	<u>154</u>	<u>-</u>	<u>637,879</u>	<u>823,059</u>

Dickinson County

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

For the Last Ten Years

	2022	2021	2020	2019
<b>Revenues:</b>				
Property and other county tax	\$ 11,895,166	11,592,969	10,022,901	9,605,294
Tax increment financing	264,545	282,005	261,035	286,431
Local option sales tax	1,960,157	1,868,521	1,425,319	1,400,900
Interest and penalty on property tax	96,933	132,890	32,393	83,661
Intergovernmental	5,312,143	6,091,603	5,455,607	4,964,229
Licenses and permits	91,967	73,661	67,583	84,657
Charges for service	1,041,091	1,080,335	966,353	844,814
Use of money and property	(123,155)	272,410	359,998	394,101
Miscellaneous	4,175,802	2,468,061	2,802,938	649,562
<b>Total</b>	<b>\$ 24,714,649</b>	<b>23,862,455</b>	<b>21,394,127</b>	<b>18,313,649</b>
<b>Expenditures:</b>				
<b>Operating:</b>				
Public safety and legal services	\$ 3,131,909	3,090,257	2,961,532	2,884,023
Physical health and social services	564,313	537,608	537,060	481,245
Mental health	539,283	522,397	256,325	182,713
County environment and education	4,189,455	5,606,928	4,403,411	3,015,886
Roads and transportation	6,076,755	5,480,931	4,600,883	5,402,303
Governmental services to residents	891,011	872,261	845,119	807,890
Administration	2,694,027	2,627,208	2,281,751	2,522,095
Non-program	477,689	689,074	801,272	345,919
Debt service	2,767,670	2,523,663	2,418,912	2,362,358
Capital projects	1,345,753	349,284	3,755,587	495,092
<b>Total</b>	<b>\$ 22,677,865</b>	<b>22,299,611</b>	<b>22,861,852</b>	<b>18,499,524</b>

See accompanying independent auditor's report.

2018	2017	2016	2015	2014	2013
9,463,844	9,099,276	8,865,585	8,745,388	8,520,932	8,172,638
601,549	541,217	629,123	601,203	623,530	613,089
1,410,783	1,281,417	1,284,840	1,284,712	1,070,286	1,211,552
73,665	76,083	80,917	70,657	71,953	77,837
4,885,702	5,083,104	4,085,560	3,898,652	4,603,348	3,492,114
103,541	99,746	24,665	27,475	31,398	29,192
805,373	788,311	780,456	831,957	746,058	750,598
377,341	338,272	276,670	254,292	218,678	155,768
1,117,298	962,951	427,438	572,372	968,175	598,411
18,839,096	18,270,377	16,455,254	16,286,708	16,854,358	15,101,199
2,757,067	2,676,797	2,500,229	2,469,254	2,309,002	2,297,986
462,989	445,684	465,906	441,405	488,597	531,217
548,587	410,525	814,722	569,695	458,537	483,324
4,370,300	2,844,517	1,958,135	1,981,743	2,654,821	2,717,185
4,618,240	5,026,580	4,679,053	3,417,401	3,610,183	3,777,499
925,437	791,858	736,362	715,146	711,827	680,024
2,268,278	2,262,930	1,960,764	1,904,593	1,962,582	1,855,411
813,610	545,652	316,688	494,081	336,776	550,946
2,611,656	3,119,316	2,695,810	3,042,341	2,666,176	1,999,826
1,157,283	947,989	983,771	1,414,329	1,879,197	1,582,433
20,533,447	19,071,848	17,111,440	16,449,988	17,077,698	16,475,851



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

To the Officials of Dickinson County:

We have audited, in accordance with 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, the discretely presented component unit and the aggregate remaining fund information of Dickinson 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 June 13, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Dickinson County's internal control over financial reporting (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 Dickinson County's internal control. Accordingly, we do not express an opinion on the effectiveness of Dickinson County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control 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 Dickinson County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in of the accompanying Schedule of Findings as items 2022-001 and 2022-002 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 the accompanying Schedule of Findings as items 2022-003 and 2022-004 to be significant deficiencies.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dickinson 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 the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the Dickinson 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 Dickinson County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

## Dickinson County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Dickinson County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings. Dickinson 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 Dickinson County during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



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

June 13, 2023

Dickinson County

Schedule of Findings

Year ended June 30, 2022

**Findings Related to the Financial Statements:**

**INTERNAL CONTROL DEFICIENCIES:**

2022-001 Segregation of Duties

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

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

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

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

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

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

Dickinson County  
Schedule of Findings  
Year ended June 30, 2022

Responses –

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

County Recorder – The Dickinson County Recorder’s office works diligently to segregate duties, including monthly financial reviews by staff in the Dickinson County Treasurer’s office and daily detailed mail audits with month-end review. The control activities are internally reviewed and considered “at maximum internal control possible under the circumstances.”

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

County Conservation – Dickinson County Conservation Board will do its best to segregate duties, when possible, in the future.

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

2022-002 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 – Material amounts of receivables and transfers were not properly recorded in the County’s financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

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

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

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

Dickinson County

Schedule of Findings

Year ended June 30, 2022

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

Conclusion – Response accepted.

2022-003 Capital Assets

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

Condition – Certain additions were not properly recorded on the asset listing. Additionally, certain deletions were not properly removed from the asset listing. Adjustments were subsequently made by the County to properly record material asset additions and deletions.

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

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

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

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

Conclusion – Response accepted.

2022-004 Overtime Policy

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

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

Dickinson County

Schedule of Findings

Year ended June 30, 2022

Condition – Non-exempt and exempt employees are receiving compensation time. Six employees had compensation time balances greater than 64 hours at June 30, 2022 and 13 employees used more than 64 hours of compensation time during the year.

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

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

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

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

Conclusion – Response accepted.

**INSTANCES OF NON-COMPLIANCE:**

No matters were reported.

Dickinson County

Schedule of Findings

Year ended June 30, 2022

**Other Findings Related to Required Statutory Reporting:**

2022-A Certified Budget – Disbursements during the year ended June 30, 2022 did not exceed the amounts budgeted. However, disbursements in certain departments exceeded the amount appropriated prior to amendment.

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

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

Conclusion – Response accepted.

2022-B Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.

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 – Business transactions between the County and County officials or employees are detailed as follows:

<u>Name, Title and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Brandon Vodraska, Deputy Sheriff, Owner of 911 Installs LLC	Vehicle equipment installs/uninstalls	\$ 2,066

The transactions with Brandon Vodraska do not appear to represent a conflict of interest in accordance with Chapter 331.342(1)(j) of the Code of Iowa since the total transactions were not more than \$6,000 during the year.

2022-E Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. However, the amount of all bonds should be periodically reviewed to ensure the coverage is adequate for current operations.

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

2022-G Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County’s investment policy were noted.

Dickinson County

Schedule of Findings

Year ended June 30, 2022

2022-H 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-I Annual Urban Renewal Report – The Annual Urban Renewal Report was approved and certified to the Iowa Department of Management by December 1. However the County overstated by \$38,166 the amount reported as TIF debt outstanding in the Levy Authority Summary.

Recommendation – The County should ensure the TIF debt outstanding reported in the Levy Authority Summary agree with and are supported by the County’s records.

Response – The County Auditor will be diligent in verifying that all records of outstanding debt support the county record balances for each individual TIF Area.

Conclusion – Response accepted.

2022-J Financial Condition – The Special Revenue, Drainage District fund had a deficit cash balance of \$77,608 at June 30, 2022. This violates Chapter 331.476 of the Code of Iowa.

In addition, the Special Revenue, Drainage District fund had a deficit fund balance of \$168,162 at June 30, 2022.

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

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

Conclusion – Response accepted.

2022-K Tax Increment Financing (TIF) Indebtedness Certification – Chapter 403.19 of the Code of Iowa provides a municipality shall certify loans, advances, indebtedness and bonds (indebtedness) to the County Auditor. Such certification makes it a duty of the County Auditor to provide for the division of property tax to repay the certified indebtedness and, as such, the County Auditor shall provide available incremental property tax in subsequent fiscal years without further certification until the amount of certified indebtedness is paid. Indebtedness incurred is to be certified to the County Auditor and then the divided property tax is to be used to pay the principal and interest on the certified indebtedness.

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

Dickinson County

Schedule of Findings

Year ended June 30, 2022

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

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

Conclusion – Response accepted.

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

Dickinson County

Staff

This audit was performed by:

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