

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

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NEWS RELEASE

Contact: Brian Brustkern
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FOR RELEASE

March 25, 2024

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

FINANCIAL HIGHLIGHTS:

The County's revenues totaled \$50,428,826 for the year ended June 30, 2023, a 1.8% decrease from the prior year. Expenses for County operations for the year ended June 30, 2023 totaled \$42,937,911, a 4.8% increase over the prior year. The decrease in the revenues is due primarily to a decrease in property tax and operating grants related to mental health services. The County also saw a decrease in capital grants revenue related to trail projects. This was partially offset due to an increase in local option sales tax revenue and an increase in unrestricted investment earnings due to interest rate rises. The increase in the expenses is due primarily to an increase in County employee salaries.

AUDIT FINDINGS:

Sand reported ten findings related to the receipt and expenditure of taxpayer funds. They are found on pages 100 through 109 of this report. The findings address issues such as lack of segregation of duties for certain departments, material amounts of receivables, deferred inflows of resources and accounts payable not properly recorded in the County's financial statements, disbursements exceeding the budget, and questionable expenditures. Sand provided the County with recommendations to address each of these findings.

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

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

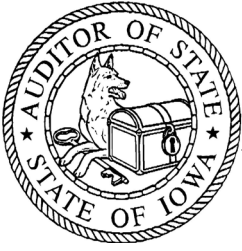
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DALLAS COUNTY

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

JUNE 30, 2023

Dallas County



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STATE OF IOWA

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

Rob Sand
Auditor of State

March 19, 2024

Officials of Dallas County
Adel, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for Dallas County for the year ended June 30, 2023. The audit was performed pursuant to Chapter 11.6 of the Code of Iowa and in accordance with U.S. auditing standards and the standards applicable to financial audits contained in Government Auditing Standards.

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

Sincerely,

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

Rob Sand
Auditor of State

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Dallas County

Officials

(Before January 2023)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Kim Chapman	Board of Supervisors	Jan 2023
Brad Golightly	Board of Supervisors	Jan 2023
Mark Hanson	Board of Supervisors	Jan 2025
Julia Helm	County Auditor	Jan 2025
Mitchell Hambleton	County Treasurer	Jan 2023
Chad C. Airhart	County Recorder	Jan 2023
Chad Leonard	County Sheriff	(Resigned Aug 2022)
Adam Infante (Appointed Sep 2022)	County Sheriff	Nov 2024
Charles Sinnard	County Attorney	(Resigned Dec 2022)
Jeannine Ritchie (Appointed Dec 2022)	County Attorney	Nov 2024
Steve C. Helm	County Assessor	Jan 2028

(After January 2023)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Mark Hanson	Board of Supervisors	Jan 2025
Brad Golightly	Board of Supervisors	Jan 2027
Kim Chapman	Board of Supervisors	Jan 2027
Julia Helm	County Auditor	Jan 2025
Mitchell Hambleton	County Treasurer	Jan 2027
ReNae Arnold	County Recorder	Jan 2027
Adam Infante	County Sheriff	Nov 2024
Jeannine Ritchie	County Attorney	Nov 2024
Steve C. Helm	County Assessor	Jan 2028



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Independent Auditor's Report

To the Officials of Dallas County:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Dallas County, Iowa, as of and for the year ended June 30, 2023, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Dallas County as of June 30, 2023 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance accounting principles generally accepted in the United States of America.

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 Dallas County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Dallas County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Dallas County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Dallas County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability, 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 76 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

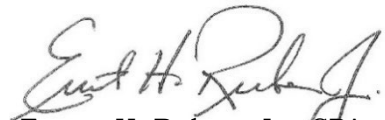
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dallas County's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2022 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 9, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information in Schedules 1 through 9 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 19, 2024 on our consideration of Dallas County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Dallas County's internal control over financial reporting and compliance.


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

March 19, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of Dallas County's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2023. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2023 FINANCIAL HIGHLIGHTS

- The Governor signed Senate File 619 on June 16, 2021 which significantly changed mental health funding. The County was required to transfer the remaining fund balance of the Special Revenue, Mental Health Fund to the Heart of Iowa Community Services Region prior to June 30, 2022.
- Revenues of the County's governmental activities decreased approximately \$917,000 from fiscal year 2022 to fiscal year 2023, or 1.8%. Operating grants, contributions and restricted interest decreased approximately \$1,895,000, Capital grants, contributions and restricted interest decreased approximately \$2,139,000 and charges for service increased approximately \$908,000.
- Program expenses of the County's governmental activities were 4.8%, or approximately \$1,983,000, more in fiscal year 2023 than in fiscal year 2022. Mental health function expenses decreased approximately \$3,540,000, from fiscal year 2022. Public safety expenses increased approximately \$2,055,000, or 14.0%, over fiscal year 2022. Administration expenses increased approximately \$1,680,000, or 75.8%, over fiscal year 2022.
- The County's net position at June 30, 2023 increased 6.0%, or approximately \$7,491,000, over June 30, 2022.

USING THIS ANNUAL REPORT

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

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

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

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

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

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

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

REPORTING DALLAS COUNTY AS A WHOLE

Government-wide Financial Statements

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

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

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

The County's governmental activities are presented in the Statement of Net Position and the Statement of Activities. Governmental activities include public safety and legal services, physical health and social services, 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 Rural Services and Secondary Roads, 3) the Debt Service Fund and 4) the Capital Projects Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

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

- 2) Proprietary Funds account for the County's Internal Service, Professional Services and Employee Group Health Funds. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions.

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Net Position of Governmental Activities		
	June 30,	
	2023	2022
Current and other assets	\$ 102,409,273	93,800,149
Capital assets	107,713,506	105,741,223
Total assets	<u>210,122,779</u>	<u>199,541,372</u>
Deferred outflows of resources	3,102,801	2,785,580
Long-term liabilities	27,926,254	25,596,528
Other liabilities	22,656,240	13,657,823
Total liabilities	<u>50,582,494</u>	<u>39,254,351</u>
Deferred inflows of resources	29,266,291	37,186,721
Net position:		
Net investment in capital assets	87,185,691	83,486,106
Restricted	21,316,403	18,590,596
Unrestricted	24,874,701	23,809,178
Total net position	<u>\$ 133,376,795</u>	<u>125,885,880</u>

Dallas County's combined net position (which is the County's bottom line) increased \$7,490,915, a 6.0% increase.

The largest portion of Dallas County's net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased approximately \$3.7 million, or 4.4%, over the prior year.

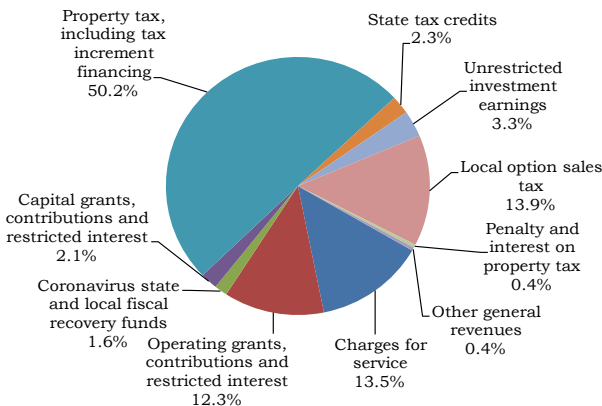
Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they may be used. This net position category increased approximately \$2.7 million, or 14.7% over the prior year, primarily due to increased funds on hand at year end in the Special Revenue, Rural Services and Secondary Roads funds and the Capital Projects Fund.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased from approximately \$23,809,000 at June 30, 2022 to approximately \$24,875,000 at the end of this year, an increase of 4.5%. This increase is primarily due to an increase in committed funds for capital projects available at year end.

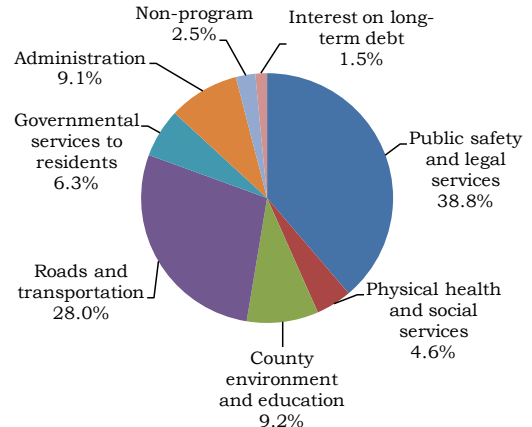
Changes in Net Position of Governmental Activities

	Year ended June 30,	
	2023	2022
Revenues:		
Program revenues:		
Charges for service	\$ 6,827,838	5,920,170
Operating grants, contributions and restricted interest	6,182,847	8,078,163
Capital grants, contributions and restricted interest	1,075,678	3,215,064
General revenues:		
Property tax, including tax increment financing	25,308,160	26,596,125
Penalty and interest on property tax	189,911	187,569
State tax credits	1,144,063	1,310,095
Local option sales tax	7,033,046	6,329,362
Coronavirus state and local fiscal recovery funds	788,475	417,816
Unrestricted investment earnings	1,672,129	(1,533,954)
Other general revenues	206,679	825,079
Total revenues	50,428,826	51,345,489
Program expenses:		
Public safety and legal services	16,765,834	14,710,800
Physical health and social services	1,956,562	1,626,131
Mental health	-	3,539,980
County environment and education	3,933,284	3,363,262
Roads and transportation	12,009,644	11,714,600
Governmental services to residents	2,685,912	2,218,892
Administration	3,895,386	2,215,409
Non-program	1,063,308	892,917
Interest on long-term debt	627,981	672,802
Total expenses	42,937,911	40,954,793
Change in net position	7,490,915	10,390,696
Net position beginning of year	125,885,880	115,495,184
Net position end of year	\$ 133,376,795	125,885,880

Revenues by Source



Expenses by Program



For the year ended June 30, 2023, governmental activities revenues totaled \$50,428,826, a decrease of \$916,663 from fiscal year 2022. Property and other county tax revenue, the County's largest revenue source, decreased approximately \$1,288,000, or 4.8%. The decrease in property tax revenues is due to a decrease in the county-wide levy rate and a reduction in property taxes collected for mental health services.

The County's capital grants, contributions, and restricted interest decreased approximately \$2,139,000, primarily due to a decrease in contributed capital from the Iowa DOT and trail expansion projects. Operating grants, contributions and restricted interest decreased approximately \$1,895,000, primarily due to a reduction in operating grants related to Mental health. Charges for services increased approximately \$908,000, primarily due to contractual services related to the Heart of Iowa Mental Health Region.

The cost of all governmental activities this year was \$42,937,911 compared to \$40,954,793 last year, an increase of \$1,983,118. However, as shown in the Statement of Activities on page 21, the amount taxpayers ultimately financed for these activities was approximately \$28.9 million because some of the cost was paid by those directly benefitting from the programs (approximately \$6.8 million) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately \$7.3 million).

Dallas County's county-wide property tax levy rates decreased from \$5.85460 to \$5.13912 per \$1,000 of taxable valuation for fiscal year 2023. The general basic levy rate for fiscal year 2023 decreased from \$2.87127 to \$2.76505 per \$1,000 of taxable valuation for fiscal year 2023. The rural services tax levy rate for fiscal year 2023 decreased from \$2.39342 to \$2.08728 per \$1,000 of taxable valuation. The mental health levy was eliminated. The debt service levy decreased from \$0.30287 to \$0.28679 per \$1,000 of taxable valuation. The total county-wide taxable property valuation increased \$550,284,343, or 8.0%, over the prior year.

MAJOR FUND ANALYSIS AND HIGHLIGHTS

As Dallas County completed the year, its governmental funds reported a combined fund balance of \$44,675,420, which is greater than the fiscal year 2022 combined fund balance of \$42,040,872.

The General Fund's ending fund balance decreased from \$16,690,684 to \$15,458,125, primarily due to an increase in transfers out for ongoing capital project commitments and increases related to new voting equipment. Total expenditures increased approximately \$4,530,000, or 18.5%. Of the ending fund balance, approximately \$542,000 is committed for County farm and approximately \$1.6 million is committed for other County purposes.

The Special Revenue, Rural Services Fund ended fiscal year 2023 with a \$6,370,763 balance, an increase of \$1,497,575 over the prior year ending balance. The rural services tax decreased due to levy rate decreased from \$2.39342 to \$2.08728 per \$1,000 of taxable valuation while property valuations for rural services increased approximately 7.1%. While property taxes decreased, local option sales tax increased approximately \$387,000 in fiscal year 2023. The majority of the property tax is transferred to the Special Revenue, Secondary Roads Fund. The balance is used for rural contributions for libraries and sanitary disposal projects.

The Special Revenue, Secondary Roads Fund ended fiscal year 2023 with a balance of \$6,615,301 an 8.6% increase compared to the fiscal year 2022 balance of \$6,091,200. Revenues increased approximately \$1,771,000, or 35.4%, primarily due to grant reimbursements related to bridge projects. Expenditures increased 11.6%, or approximately \$1,317,000, over the prior year primarily due to an increase in capital projects costs.

The Debt Service Fund ended fiscal year 2023 with a fund balance of \$585,063 compared to the fiscal year 2022 balance of \$565,464, a 3.5% increase. Debt Service Fund revenues totaled approximately \$2,350,000, a decrease of less than 1% from the prior year. Expenditures totaled approximately \$2,331,000, an increase of \$15,800 over the prior year.

The Capital Projects Fund ended fiscal year 2023 with a fund balance of \$11,602,810 compared to the fiscal year 2022 balance of \$10,266,909, a 13.0% increase. Revenues decreased approximately \$847,000 due to a decrease in grants. Expenditures increased approximately \$572,000, or 23.5%, primarily due to construction costs for courthouse repairs, and administration building.

BUDGETARY HIGHLIGHTS

Over the course of fiscal year 2023, Dallas County amended the operating budget two times. The first amendment was made in November 2022 to increase budgeted disbursements approximately \$2,356,000, for most functions. Budgeted disbursements increased as the Board of Supervisors budgeted certain previously assigned and unspent funds for projects in the prior year. The second amendment was made in May 2023 to increase budgeted disbursements approximately \$4,708,000 for various increases in project costs made throughout the year, including an increase in public safety and legal services, roads and transportation, administration, and capital projects.

Actual cash basis disbursements for the year totaled \$47,167,421 which was \$8,515,880 under budgeted disbursements. Capital projects disbursements were approximately \$3.4 million under budget because certain capital project for trails and building renovations were not completed as planned. Public safety and legal services disbursements were approximately \$2.3 million under budget due to carrying forward of capital equipment purchases. Actual cash basis receipts for fiscal year 2023 were \$58,131,276, which was \$3,398,371 more than the final budget.

Even with the budget amendments, the County exceeded the budgeted amounts in the administration function prior to a budget amendment for the year ended June 30, 2023. Also, disbursements in certain departments exceeded the amounts appropriated prior to an appropriation amendment and also at year end.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, Dallas County had \$107,713,506 invested in a variety of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This compares to \$105,741,223 at the end of fiscal year 2022. The County's net capital assets increased \$1,972,283, or 1.9%, over the prior year.

Capital Assets of Governmental Activities at Year End		
	June 30,	
	2023	2022
Land	\$ 7,540,993	7,472,325
Intangibles, road network	997,235	997,235
Construction in progress	5,485,616	2,475,911
Buildings and improvements	45,441,420	46,661,085
Equipment and vehicles	8,909,086	8,702,965
Right-to-use leased equipment	17,385	43,983
Intangibles	142,729	236,094
Infrastructure	39,179,042	39,151,625
Total	<u>\$ 107,713,506</u>	<u>105,741,223</u>
This year's major additions included:		
Administration building		\$ 969,467
Bike trail expansion		389,114
Courthouse remodel and building		1,639,883
River Oaks storm sewer improvements		364,524
Voting machines		323,250
Conservation vehicles and equipment		384,390
IT equipment		112,058
Secondary Roads equipment		734,848
Ambulance equipment		339,509
Sheriff vehicles		358,675
Total		<u>\$ 5,615,718</u>

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

Long-Term Debt

At June 30, 2023, Dallas County had \$20,581,761 of outstanding debt versus \$22,304,507 last year, a net decrease of \$1,722,746.

Outstanding Debt of Governmental Activities at Year-End		
	June 30,	
	2023	2022 (As Restated)
General obligation capital loan notes	\$ 20,510,000	22,210,000
Lease agreements	17,815	45,117
Drainage district warrants	53,946	49,390
Total	<u>\$ 20,581,761</u>	<u>22,304,507</u>

The net change in outstanding debt is primarily due to scheduled payments on the County's general obligation notes and a decrease in lease agreements. Article XI, Section 3 of the Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the actual value of all taxable property within the County's corporate limits. Dallas County's outstanding general obligation debt is significantly below its constitutional debt limit ($\$13,124,883,690 \times .05 = \$656,244,185$). Additional information about the County's long-term debt is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Dallas County's elected and appointed officials and citizens considered numerous issues when setting the fiscal year 2024 budget, tax rates and the fees charged for various County activities. One of those factors is the economy. Unemployment in the County now stands at 2.0%, the same as a year ago. This compares with the State's unemployment rate of 2.7% and the national rate of 3.6%.

Dallas County is the fastest growing county in Iowa. It was ranked 5th in the nation for growth between 2012 and 2021 with a 44.2% increase in population. These indicators were taken into account when adopting the budget for fiscal year 2024. Budgeted disbursements for the fiscal year 2023 operating budget are approximately \$51.0 million, an increase of about \$3.8 million in spending over the prior year's actual disbursements, primarily due to an increase in capital projects and public safety and legal services functions for sheriff equipment, admin building, high trestle trail, and courthouse exterior projects. The budget estimates a total ending fund balance of approximately \$52.9 million at the close of fiscal year 2024.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Dallas County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Rob Tietz at the Operations Administration Office, 902 Court Street, Adel, Iowa 50003.

Dallas County

Basic Financial Statements

Exhibit A

Dallas County
Statement of Net Position
June 30, 2023

	<u>Governmental Activities</u>
Assets	
Cash, cash equivalents and pooled investments	\$ 69,258,638
Receivables:	
Property tax:	
Delinquent	9,194
Succeeding year	27,483,000
Succeeding year tax increment financing	45,000
Interest and penalty on property tax	33,457
Accounts	150,416
Opioid settlement	898,613
Accrued interest	260,335
Drainage assessments	68,603
Due from other governments	2,879,610
Inventories	674,634
Prepaid items	647,773
Capital assets not being depreciated	14,023,844
Capital assets, net of accumulated depreciation/amortization	<u>93,689,662</u>
Total assets	<u>210,122,779</u>
Deferred Outflows of Resources	
Pension related deferred outflows	2,779,003
OPEB related deferred outflows	<u>323,798</u>
Total deferred outflows of resources	<u>3,102,801</u>

Dallas County
Statement of Net Position
June 30, 2023

	Governmental Activities
Liabilities	
Accounts payable	3,722,007
Accrued interest payable	53,788
Salaries and benefits payable	692,777
Due to other governments	1,007,725
Unearned revenue	17,179,943
Long-term liabilities:	
Portion due or payable within one year:	
Lease agreements	7,267
General obligation capital loan notes	1,750,000
Drainage district warrants	53,946
Compensated absences	749,780
Total OPEB liability	96,594
Portion due or payable after one year:	
Lease agreements	10,548
General obligation capital loan notes	18,760,000
Compensated absences	1,221,132
Net pension liability	3,633,430
Total OPEB liability	1,643,557
Total liabilities	50,582,494
Deferred Inflows of Resources:	
Unavailable property tax revenue	27,483,000
Unavailable tax increment financing revenue	45,000
Pension related deferred inflows	1,328,859
OPEB related deferred inflows	409,432
Total deferred inflows of resources	29,266,291
Net Position	
Net investment in capital assets	87,185,691
Restricted for:	
Rural services purposes	6,371,028
Secondary roads purposes	6,571,444
Drainage district purposes	101,303
Debt service	532,167
Capital projects	2,380,998
Opioid abatement	1,147,320
Other purposes	4,212,143
Unrestricted	24,874,701
Total net position	\$ 133,376,795

See notes to financial statements.

Dallas County

Dallas County
Statement of Activities
Year ended June 30, 2023

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
Functions/Programs:					
Governmental activities:					
Public safety and legal services	\$ 16,765,834	2,058,517	173,264	-	(14,534,053)
Physical health and social services	1,956,562	243,133	545,430	-	(1,167,999)
County environment and education	3,933,284	384,224	312,428	51,612	(3,185,020)
Roads and transportation	12,009,644	150,865	5,079,372	1,024,066	(5,755,341)
Governmental services to residents	2,685,912	2,310,491	1,640	-	(373,781)
Administration	3,895,386	712,003	51,571	-	(3,131,812)
Non-program	1,063,308	968,605	-	-	(94,703)
Interest on long-term debt	627,981	-	19,142	-	(608,839)
Total	\$ 42,937,911	6,827,838	6,182,847	1,075,678	(28,851,548)
General Revenues:					
Property and other county tax levied for:					
General purposes					22,982,186
Debt service					2,269,592
Tax increment financing					56,382
Penalty and interest on property tax					189,911
State tax credits					1,144,063
Local option sales tax					7,033,046
Coronavirus state and local fiscal recovery funds					788,475
Unrestricted investment earnings					1,672,129
Gain on disposition of capital assets					171,107
Miscellaneous					35,572
Total general revenues					36,342,463
Change in net position					7,490,915
Net position beginning of year					125,885,880
Net position end of year					\$ 133,376,795

See notes to financial statements.

Dallas County
Balance Sheet
Governmental Funds

June 30, 2023

	Special Revenue		
	General	Rural Services	Secondary Roads
Assets			
Cash, cash equivalents and pooled investments:			
County Treasurer	\$ 34,132,998	6,126,380	6,496,178
Conservation Foundation	-	-	-
Receivables:			
Property tax:			
Delinquent	8,037	265	-
Succeeding year	22,185,000	3,003,000	-
Succeeding year tax increment financing	-	-	-
Interest and penalty on property tax	33,457	-	-
Accounts, net of allowance for doubtful ambulance accounts of \$215,889	145,862	-	125
Opioid settlement	-	-	-
Accrued interest	232,160	-	-
Drainage assessments	-	-	-
Due from other governments	403,953	261,280	1,267,894
Inventories	-	-	674,634
Prepaid items	274,891	-	78,395
Total assets	\$ 57,416,358	9,390,925	8,517,226

Debt Service	Capital Projects	Nonmajor	Total
583,977	11,912,935	3,401,409	62,653,877
-	-	592,692	592,692
892	-	-	9,194
2,295,000	-	-	27,483,000
-	-	45,000	45,000
-	-	-	33,457
-	144	-	146,131
-	-	898,613	898,613
1,086	4,501	9,446	247,193
-	-	68,603	68,603
-	-	70	1,933,197
-	-	-	674,634
-	-	-	353,286
<u>2,880,955</u>	<u>11,917,580</u>	<u>5,015,833</u>	<u>95,138,877</u>

(Continued on next page)

Dallas County
Balance Sheet
Governmental Funds
(continued)

June 30, 2023

	Special Revenue		
	General	Rural Services	Secondary Roads
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 1,051,923	16,448	1,313,478
Salaries and benefits payable	531,666	-	110,204
Due to other governments	894,505	449	109,424
Unearned revenue	17,179,943	-	-
Total liabilities	19,658,037	16,897	1,533,106
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	22,185,000	3,003,000	-
Succeeding year tax increment financing	-	-	-
Other	115,196	265	368,819
Total deferred inflows of resources	22,300,196	3,003,265	368,819
Fund balances:			
Nonspendable:			
Inventories	-	-	674,634
Prepaid items	274,891	-	78,395
Restricted for:			
Rural services purposes	-	6,370,763	-
Secondary roads purposes	-	-	5,862,272
Drainage district purposes	-	-	-
Conservation purposes	114,827	-	-
Debt service	-	-	-
Capital projects	-	-	-
Forfeitures	-	-	-
Wetland bank maintenance	-	-	-
Opioid abatement	-	-	-
Other purposes	430,980	-	-
Committed for:			
County conservation	1,169,562	-	-
County farm	541,821	-	-
County care facility	159,668	-	-
Jail commissary	246,621	-	-
Assigned for:			
Capital projects	-	-	-
Departmental purposes	643,259	-	-
Equipment	1,155,591	-	-
Unassigned	10,720,905	-	-
Total fund balances	15,458,125	6,370,763	6,615,301
Total liabilities, deferred inflows of resources and fund balances	\$ 57,416,358	9,390,925	8,517,226

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
-	314,770	1,928	2,698,547
-	-	-	641,870
-	-	-	1,004,378
-	-	-	17,179,943
-	314,770	1,928	21,524,738
2,295,000	-	-	27,483,000
-	-	45,000	45,000
892	-	925,547	1,410,719
2,295,892	-	970,547	28,938,719
-	-	-	674,634
-	-	-	353,286
-	-	-	6,370,763
-	-	-	5,862,272
-	-	86,646	86,646
-	-	1,766,639	1,881,466
585,063	-	-	585,063
-	2,380,998	-	2,380,998
-	-	133,166	133,166
-	-	1,423,336	1,423,336
-	-	290,376	290,376
-	-	343,195	774,175
-	-	-	1,169,562
-	-	-	541,821
-	-	-	159,668
-	-	-	246,621
-	9,221,812	-	9,221,812
-	-	-	643,259
-	-	-	1,155,591
-	-	-	10,720,905
585,063	11,602,810	4,043,358	44,675,420
2,880,955	11,917,580	5,015,833	95,138,877

Dallas County

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

June 30, 2023

Total governmental fund balances (page 25) \$ 44,675,420

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets, excluding Internal Service Funds, is \$179,506,773 and the accumulated depreciation/amortization is \$72,182,098. 107,324,675

Other long-term assets are not available to pay current year expenditures, as follows:
 Deferred inflows of resources 1,410,719

The Internal Service Funds are used by management to charge the costs of various services to individual departments and funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position. 6,114,889

Pension and OPEB related deferred outflows of resources and deferred inflows of resources, excluding Internal Service Funds, are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:
 Deferred outflows of resources \$ 2,916,633
 Deferred inflows of resources (1,633,993) 1,282,640

Long-term liabilities, including general obligation capital loan notes payable, drainage district warrants payable, lease agreements payable, compensated absences payable, net pension liability, total OPEB liability and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (27,431,548)

Net position of governmental activities (page 19) \$ 133,376,795

See notes to financial statements.

Dallas County

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

Year ended June 30, 2023

	Special Revenue		
	General	Rural Services	Secondary Roads
Revenues:			
Property and other county tax	\$ 20,005,608	2,979,717	-
Local option sales tax	3,164,870	3,868,176	-
Tax increment financing	-	-	-
Interest and penalty on property tax	189,552	-	-
Intergovernmental	4,111,099	98,079	6,667,108
Licenses and permits	267,180	-	380
Charges for service	3,533,565	-	-
Use of money and property	1,662,946	-	24,245
Miscellaneous	250,461	-	88,079
Total revenues	33,185,281	6,945,972	6,779,812
Expenditures:			
Operating:			
Public safety and legal services	16,555,644	-	-
Physical health and social services	2,086,130	-	-
County environment and education	3,337,836	236,699	-
Roads and transportation	220,541	64,867	10,519,483
Governmental services to residents	3,060,887	-	-
Administration	3,745,018	-	-
Non-program	16,590	-	-
Debt service	-	-	-
Capital projects	20,000	-	2,128,331
Total expenditures	29,042,646	301,566	12,647,814
Excess (deficiency) of revenues over (under) expenditures	4,142,635	6,644,406	(5,868,002)
Other financing sources (uses):			
Transfers in	16,078	-	6,392,103
Transfers out	(5,405,272)	(5,146,831)	-
Sale of capital assets	14,000	-	-
Drainage warrants issued	-	-	-
Total other financing sources (uses)	(5,375,194)	(5,146,831)	6,392,103
Change in fund balances	(1,232,559)	1,497,575	524,101
Fund balances beginning of year	16,690,684	4,873,188	6,091,200
Fund balances end of year	\$ 15,458,125	6,370,763	6,615,301

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
2,269,792	-	-	25,255,117
-	-	-	7,033,046
-	-	56,382	56,382
-	-	-	189,552
61,280	51,612	70,507	11,059,685
-	-	-	267,560
-	25,678	19,457	3,578,700
19,142	21,580	44,368	1,772,281
-	80,435	443,103	862,078
2,350,214	179,305	633,817	50,074,401
-	-	14,278	16,569,922
-	-	-	2,086,130
-	-	112,848	3,687,383
-	-	-	10,804,891
-	-	1,681	3,062,568
-	-	-	3,745,018
-	-	-	16,590
2,330,615	-	24,475	2,355,090
-	3,003,404	-	5,151,735
2,330,615	3,003,404	153,282	47,479,327
19,599	(2,824,099)	480,535	2,595,074
-	4,160,000	-	10,568,181
-	-	(16,078)	(10,568,181)
-	-	-	14,000
-	-	25,474	25,474
-	4,160,000	9,396	39,474
19,599	1,335,901	489,931	2,634,548
565,464	10,266,909	3,553,427	42,040,872
585,063	11,602,810	4,043,358	44,675,420

Dallas County

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

Year ended June 30, 2023

Change in fund balances - Total governmental funds (page 29) \$ 2,634,548

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

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

Expenditures for capital assets	\$ 7,523,523	
Capital assets contributed by the Iowa Department of Transportation	22,262	
Depreciation/amortization expense	(5,586,210)	1,959,575

In the Statement of Activities, the gain on the disposition of capital assets is reported, whereas the governmental funds reports the proceeds from the disposition as an increase in financial resources. 80,152

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	(2,980)	
Other	(881,577)	(884,557)

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	(25,474)	
Repaid	1,748,220	1,722,746

The current year County IPERS contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position. 1,671,796

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	(140,875)	
Interest on long-term debt	6,191	
Pension expense	(74,562)	
OPEB expense	291,488	82,242

The Internal Service Funds are used by management to charge the costs of various services to individual departments and funds. The decrease in net position of the Internal Service Funds is included in governmental activities in the Statement of Net Position. 224,413

Change in net position of governmental activities (page 21) **\$ 7,490,915**

See notes to financial statements.

Dallas County
Statement of Net Position
Proprietary Funds

June 30, 2023

	Internal Service
Assets	
Cash and pooled investments	\$ 6,012,069
Accounts receivable	4,285
Accrued interest receivable	13,142
Prepaid expenditures	294,487
Due from other governments	946,413
Capital assets, net of accumulated depreciation	388,831
Total assets	7,659,227
Deferred Outflows of Resources	
OPEB related deferred outflows	19,428
Pension related deferred outflows	166,740
Total deferred outflows	186,168
Liabilities	
Accounts payable	1,023,460
Salaries and benefits payable	50,907
Due to other governments	3,347
Long-term liabilities:	
Portion due or payable within one year:	
Compensated absences	61,352
Total OPEB liability	5,796
Portion due or payable after one year:	
Compensated absences	164,728
Net pension liability	218,006
Total OPEB liability	98,612
Total liabilities	1,626,208
Deferred Inflows of Resources	
Unavailable revenues:	
OPEB related deferred inflows	24,566
Pension related deferred inflows	79,732
Total deferred outflows	104,298
Net Position	
Net investment in capital assets	388,831
Nonspendable-prepaid items	294,487
Unrestricted	5,431,571
Total net position	\$ 6,114,889

See notes to financial statements.

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

Year ended June 30, 2023

	<u>Internal Service</u>
Operating revenues:	
Reimbursements from operating funds and other governmental units	\$ 7,079,415
Reimbursements from employees and others	599,418
Miscellaneous	<u>52,884</u>
Total operating revenues	<u>7,731,717</u>
Operating expenses:	
Medical claims	\$ 3,742,604
Administrative and other fees	526,396
Central services	942,032
Information technology	1,325,238
Operations administration	394,211
Human resources	498,400
Depreciation	<u>179,502</u>
Operating income	123,334
Non-operating revenues:	
Interest income	<u>101,079</u>
Net income	224,413
Net position beginning of year	<u>5,890,476</u>
Net position end of year	<u>\$ 6,114,889</u>

See notes to financial statements.

Dallas County
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2023

	Internal Service
Cash flows from operating activities:	
Cash received from operating funds and other reimbursements	\$ 8,053,852
Cash paid for personal services	(3,338,534)
Cash paid to suppliers for services	(4,059,976)
Net cash provided by operating activities	655,342
Cash flows from non-capital financing activities:	
Deficit cash elimination from the General Fund	(9,382)
Cash flows from capital and related financing activities:	
Purchase of equipment	(112,058)
Cash flows from investing activities:	
Interest on investments	90,042
Net increase in cash and cash equivalents	623,944
Cash and cash equivalents beginning of year	5,388,125
Cash and cash equivalents end of year	\$ 6,012,069
Reconciliation of operating loss to net cash provided by operating activities:	
Operating income	\$ 123,334
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation/amortization	179,502
Changes in assets and liabilities:	
Accounts receivable and due from other governments	322,135
Prepaid insurance	(63,110)
Deferred outflows of resources	(19,035)
Accounts payable and due to other governments	236,642
Salaries and benefits payable	(35,162)
Compensated absences	12,557
Net pension liability	490,992
Deferred inflows of resources	(608,449)
Total OPEB liability	15,936
Net cash provided by operating activities	\$ 655,342

See notes to financial statements.

Dallas County
Statement of Fiduciary Net Position
Custodial Funds

June 30, 2023

Assets

Cash, cash equivalents and pooled investments:	
County Treasurer	\$ 7,983,789
Other County officials	326,372
Receivables:	
Property tax:	
Delinquent	116,679
Succeeding year	274,896,000
Accounts	285,438
Special assessments	222,194
Due from other governments	79,747
Prepaid insurance	8,158
	<hr/>
Total assets	283,918,377

Liabilities

Accounts payable	497,681
Salaries and benefits payable	41,191
Due to other governments	5,674,295
Trusts payable	660,320
Compensated absences	95,629
	<hr/>
Total liabilities	6,969,116

Deferred Inflows of Resources

Unavailable property tax revenue	<hr/> 274,896,000
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Net Position

Restricted for individuals, organizations and other governments	<hr/> \$ 2,053,261
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See notes to financial statements.

Dallas County
 Statement of Changes in Fiduciary Net Position
 Custodial Funds

For the Year Ended June 30, 2023

Additions:	
Property and other county tax	\$ 231,563,943
911 surcharge	496,483
State tax credits	7,145,279
Office fees and collections	3,368,052
Auto licenses, use tax and postage	50,224,133
Assessments	136,969
Trusts	5,068,036
Miscellaneous	<u>4,814,899</u>
Total additions	<u>302,817,794</u>
Deductions:	
Agency remittances:	
To other funds	2,467,079
To other governments	295,636,362
Trusts paid out	<u>5,068,036</u>
Total deductions	<u>303,171,477</u>
Changes in net position	(353,683)
Net position beginning of year, as restated	<u>2,406,944</u>
Net position end of year	<u><u>\$ 2,053,261</u></u>

See notes to financial statements.

Dallas County

Notes to Financial Statements

June 30, 2023

(1) Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

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

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

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

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

The County also participates in the North Dallas Regional Solid Waste Planning Commission and the Dallas County Housing Trust, jointly governed organizations established pursuant to Chapters 28E and 504A, respectively, of the Code of Iowa.

B. Basis of Presentation

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

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

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

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

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position 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 funds are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs not paid from other funds.

Special Revenue:

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

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

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

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

Additionally, the County reports the following funds:

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

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

C. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are 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 measurable and available only when cash is received by the County.

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

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

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

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

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

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

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

Cash, Cash Equivalents and Pooled Investments – The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund unless otherwise provided by law. Investments are stated at fair value except for the investment in the Iowa Public Agency Investment Trust 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 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 represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax and tax increment financing receivables has been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2021 assessed property valuations; is for the tax accrual period July 1, 2022 through June 30, 2023 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2022.

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.

Opioid Settlement Receivable – The County will receive payments from certain prescription drug companies and pharmaceutical distributors engaged in misleading and fraudulent conduct in the marketing and sale of opioids and failure to monitor for, detect and prevent diversion of the drugs. The County is required to use these funds for activities to remediate the opioid crisis and treat or mitigate opioid use disorder and related disorders through prevention, harm reduction and recovery services.

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

Special Assessments Receivable – Special assessments receivable represent amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in not more than 15 annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Special assessments receivable represent assessments which have been made but have not been collected.

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

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

Capital Assets – Capital assets, which include property, furniture and equipment and intangibles acquired after July 1, 1980 are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost (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 an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Infrastructure	\$ 50,000
Intangibles	50,000
Land, buildings and improvements	25,000
Equipment and vehicles	5,000
Right-to-use leased assets	5,000

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

Asset Class	Estimated Useful lives (In Years)
Buildings	10 - 50
Other improvements	10 - 35
Infrastructure	20 - 65
Equipment	2 - 50
Vehicles	3 - 20
Intangibles	3 - 20
Right-to-use leased assets	2 - 50

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

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

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

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

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

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

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

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

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

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

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death, or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect on June 30, 2023. 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 attributable to the 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, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on Dallas County's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, 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 increment financing receivables that will not be recognized until the year for which it is levied.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax and tax increment financing receivables that will not be recognized until the year for which it is levied, and 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.

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

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

Unassigned – All amounts not included in the preceding classifications.

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

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2023, disbursements exceeded the amounts budgeted in the administration function prior to the budget amendment. In addition, disbursements in certain departments exceeded the amounts appropriated prior to an appropriation amendment by the Board of Supervisors and also at year end.

(2) Cash, Cash Equivalents and Pooled Investments

The County's deposits in banks at June 30, 2023 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, 2023, the County had investments in drainage warrants of \$53,946.

At June 30, 2023, the County had the following investments in U.S. Government securities.

Investment	Fair Value	Maturity	Credit Risk
Federal Agricultural Mortgage Corporation	\$ 996,637	August 29, 2023	NR
US Treasury	247,638	September 7, 2023	NR
Federal Home Loan Bank	989,789	September 8, 2023	Aaa
US Treasury	102,164	November 2, 2023	NR
US Treasury	243,478	May 31, 2024	NR
Federal Home Loan Bank	966,289	June 14, 2024	Aaa
US Treasury	1,883,820	October 15, 2024	NR
Federal Home Loan Bank	964,307	December 13, 2024	Aaa
Federal Farm Credit Bank	235,303	January 6, 2025	Aaa
Federal Farm Credit Bank	256,173	February 10, 2025	Aaa
Federal Home Loan Bank	198,369	March 14, 2025	Aaa
Tennessee Valley Authority	922,501	May 15, 2025	Aaa
Federal Agricultural Mortgage Corporation	913,899	September 8, 2025	NR
Federal Home Loan Bank	959,945	December 12, 2025	Aaa
Federal Home Loan Bank	903,633	January 16, 2026	Aaa
Federal National Mortgage Association	934,852	April 24, 2026	Aaa
Federal Farm Credit Bank	444,428	September 10, 2026	Aaa
Federal Home Loan Bank	4,469,920	September 29, 2026	Aaa
Federal Farm Credit Bank	952,736	April 12, 2027	Aaa
Federal Farm Credit Bank	876,591	August 23, 2027	Aaa
US Treasury	986,035	January 31, 2028	NR
Federal Farm Credit Bank	860,355	May 10, 2028	Aaa
Federal Farm Credit Bank	847,113	February 26, 2029	Aaa
Federal Farm Credit Bank	819,773	September 3, 2030	Aaa
Federal Farm Credit Bank	801,415	February 18, 2031	Aaa
Federal Farm Credit Bank	810,361	September 2, 2031	Aaa
Federal Farm Credit Bank	798,652	June 1, 2033	Aaa
	<u>\$ 24,386,176</u>		

NR - not rated

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

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

The recurring fair value measurements for the County's securities was determined using the last reported sales price at current exchange rates. (Level 1 inputs)

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

Concentration of credit risk – The County places no limit on the amount which may be invested in any one issuer. More than 5% of the County's investments are in U.S. Treasury (14.20%) investments and the Federal Home Loan Bank and Mortgage (70.35%).

(3) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2023 is as follows:

Transfer to	Transfer from	Amount
General	Special Revenues: Conservation Foundation	\$ 16,078
Special Revenue: Secondary Roads	General	1,245,272
	Special Revenue: Rural Services	5,146,831
		<u>6,392,103</u>
Capital Projects	General	4,160,000
Total		<u>\$ 10,568,181</u>

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

(4) Capital Assets

Capital assets activity for the year ended June 30, 2023 was as follows:

	Restated Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 7,472,325	68,668	-	7,540,993
Intangibles, road network	997,235	-	-	997,235
Construction in progress	2,475,911	5,502,095	(2,492,390)	5,485,616
Total capital assets not being depreciated/amortized	10,945,471	5,570,763	(2,492,390)	14,023,844
Capital assets being depreciated/amortized:				
Buildings	61,428,660	-	-	61,428,660
Improvements other than buildings	1,108,494	38,463	-	1,146,957
Equipment and vehicles	20,768,794	2,102,209	(1,530,393)	21,340,610
Equipment and vehicles - internal service	1,428,096	112,058	(182,626)	1,357,528
Right-to-use leased equipment	68,065	-	-	68,065
Intangibles	1,013,088	-	(124,702)	888,386
Infrastructure, road network and other	78,117,861	2,492,390	-	80,610,251
Total capital assets being depreciated/amortized	163,933,058	4,745,120	(1,837,721)	166,840,457
Less accumulated depreciation/amortization for:				
Buildings	15,327,377	1,212,641	-	16,540,018
Improvements other than buildings	548,692	45,487	-	594,179
Equipment and vehicles	12,522,104	1,743,146	(1,444,895)	12,820,355
Equipment and vehicles - internal service	971,821	179,502	(182,626)	968,697
Right-to-use leased assets	24,082	26,598	-	50,680
Intangibles	776,994	93,365	(124,702)	745,657
Infrastructure, road network and other	38,966,236	2,464,973	-	41,431,209
Total accumulated depreciation/amortization	69,137,306	5,765,712	(1,752,223)	73,150,795
Total capital assets being depreciated/amortized, net	94,795,752	(1,020,592)	(85,498)	93,689,662
Governmental activities capital assets, net	<u>\$ 105,741,223</u>	<u>4,550,171</u>	<u>(2,577,888)</u>	<u>107,713,506</u>

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 1,767,617
Physical health and social services	11,351
County environment and education	855,152
Roads and transportation	2,516,369
Governmental services to residents	73,977
Administration	<u>541,246</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 5,765,712</u>

(5) County Farm Lease Receivable

The County owns the Dallas County Farm (Farm). Effective January 1, 2020, the County entered into a three-year noncancelable lease agreement with Des Moines Area Community college (DMACC) whereby DMACC operates the Farm. The County is to receive semi-annual payments of \$33,520 with an incremental lending rate of 3.0% with the final payment due January 1, 2023. During the year ended June 30, 2023, the County received principal of \$65,561 and interest of \$1,479. This lease has now reverted to an annual lease.

(6) Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2023 is as follows:

Fund	Description	Amount
General	Services	\$ 894,505
Special Revenue:		
Rural Services	Services	449
Secondary Roads	Services	<u>109,424</u>
Total for government funds		<u>\$ 1,004,378</u>
Custodial:		
Heart of Iowa Mental Health Region Collections		\$ 291,132
County Assessor		28,767
Schools		406,570
Community Colleges		15,505
Corporations		267,374
City Special Assessments		21,624
Auto License and Use Tax		4,388,465
All other		<u>254,858</u>
Total for agency funds		<u>\$ 5,674,295</u>

(7) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2023 is as follows:

	General Obligation Capital Loan Notes	Drainage District Warrants	Lease Agreements	Compensated Absences	Net Pension Liability (Asset)	Total OPEB Liability	Total
Balance beginning of year, restated	\$ 22,210,000	49,390	45,117	1,817,480	(4,549,772)	1,474,541	21,046,756
Increases	-	25,474	-	1,193,982	8,183,202	362,204	9,764,862
Decreases	1,700,000	20,918	27,302	1,040,550	-	96,594	2,885,364
Balance end of year	\$ 20,510,000	53,946	17,815	1,970,912	3,633,430	1,740,151	27,926,254
Due within one year	\$ 1,750,000	53,946	7,267	749,780	-	96,594	2,657,587

Drainage Warrants

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

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

General Obligation Capital Loan Notes

A summary of the County’s June 30, 2023 general obligation capital loan note indebtedness is as follows:

Year Ending June 30,	Communication Equipment and Refunding Issued Nov 17, 2015			Law Enforcement Center Capital Loan Notes Series 2017A Issued Dec 1, 2017		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2024	2.00%	\$ 525,000	32,100	2.60-3.05%	\$ -	234,073
2025	2.00	535,000	21,600	2.60-3.05	-	234,072
2026	2.00	545,000	10,900	2.60-3.05	-	234,073
2027	-	-	-	2.60-3.05	-	234,072
2028	-	-	-	2.60-3.05	-	234,073
2029-2033	-	-	-	2.60-3.05	2,300,000	1,146,183
2034-2037	-	-	-	2.80-3.05	5,880,000	444,660
Total		\$ 1,605,000	64,600		\$ 8,180,000	2,761,206

Year Ending June 30,	Refunding Capital Loan Notes Series 2017B			Law Enforcement Center Capital Loan Notes Series 2018A		
	Issued Dec 1, 2017			Issued Jun 21, 2018		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2024	1.75%	\$ 155,000	16,228	3.00%	\$ 1,070,000	300,215
2025	1.90	155,000	13,515	3.00	1,100,000	268,115
2026	2.10	155,000	10,570	3.00	1,135,000	235,115
2027	2.20	160,000	7,315	3.00	1,170,000	201,065
2028	2.30	165,000	3,795	3.00	1,205,000	165,965
2029-2033		-	-	3.00-3.20	4,255,000	290,395
Total		\$ 790,000	51,423		\$ 9,935,000	1,460,870

Year Ending June 30,	Total		
	Principal	Interest	Total
2024	\$ 1,750,000	582,616	2,332,616
2025	1,790,000	537,302	2,327,302
2026	1,835,000	490,658	2,325,658
2027	1,330,000	442,452	1,772,452
2028	1,370,000	403,833	1,773,833
2029-2033	6,555,000	1,436,578	7,991,578
2034-2037	5,880,000	444,660	6,324,660
Total	\$ 20,510,000	4,338,099	24,848,099

On November 17, 2015, the County issued \$7,125,000 of general obligation capital loan notes with an interest rate of 2.00% per annum. The notes were issued to provide funds to pay costs of acquisition and installation of peace office communication equipment and other emergency services communication equipment and system and refunding of outstanding indebtedness. During the year ended June 30, 2023, the County paid principal of \$510,000 and interest of \$42,300 on the notes.

On December 1, 2017, the County issued \$8,180,000 of general obligation capital loan notes with interest rates ranging from 2.60% to 3.05% per annum. The notes were issued to help pay for designing and constructing a new law enforcement center. During the year ended June 30, 2023, the County paid interest of \$234,073 on the notes.

On December 1, 2017, the County issued \$1,570,000 of general obligation refunding capital loan notes with interest rates ranging from 1.75% to 3.00% per annum. The notes were issued to refund outstanding indebtedness. During the year ended June 30, 2023, the County paid principal of \$150,000 and interest of \$20,728 on the notes.

On June 21, 2018, the County issued \$14,720,000 of general obligation capital loan notes with interest rate range of 3.00 to 3.20 % per annum. The notes were issued to help pay for design and construction of a new law enforcement center. During the year ended June 30, 2023, the County paid principal of \$1,040,000 and interest of \$331,415 on the notes.

Lease Agreements

On June 11, 2019, the County entered into a noncancelable lease agreement for four conservation mowers. The agreement requires annual payments of \$22,202 over four years with an interest rate of 9.65% and final payment due July 15, 2022. During the year ended June 30, 2023, the County paid principal of \$20,250 and interest of \$1,952 on the agreement.

On September 10, 2020, the County entered into a noncancelable lease agreement for postage meter machines. The agreement requires monthly payments of \$109 for the first twelve months and \$139 for the remaining four years with an estimated implicit interest rate of 3.0% and final payment due September 1, 2025. During the year ended June 30, 2023, the County paid principal of \$1,533 and interest of \$134 on the agreement.

On October 26, 2021, the County entered into a noncancelable lease agreement for postage meter machines. The agreement requires monthly payments of \$175 over four years with an estimated implicit interest rate of 3.0% and final payment due October 1, 2025. During the year ended June 30, 2023, the County paid principal of \$1,930 and interest of \$174 on the agreement.

On December 21, 2021, the County entered into a noncancelable lease agreement for postage meter machines. The agreement requires monthly payments of \$328 over four years with an estimated implicit interest rate of 3.0% and final payment due December 1, 2025. During the year ended June 30, 2023, the County paid principal of \$3,589 and interest of \$342 on the agreement.

Details of the County’s June 30, 2023 lease indebtedness paid from the General Fund are as follows:

Year Ending June 30,	Postage Meters		
	Principal	Interest	Total
2024	\$ 7,267	435	7,702
2025	7,488	214	7,702
2026	3,060	24	3,084
Totals	\$ 17,815	673	18,488

(8) Pension Plan

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

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

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

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

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

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

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

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

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

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

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

In fiscal year 2023, 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 8.76% of covered payroll, for a total rate of 17.52%. 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, 2023 totaled \$1,778,506.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the County reported a liability of \$3,633,430 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2022, the County's proportion was 0.096170%, which was a decrease of 1.221738% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension expense of \$310,092. At June 30, 2023, 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	\$ 681,515	79,970
Changes of assumptions	4,648	343,845
Net difference between projected and actual earnings on IPERS' investments	-	835,477
Changes in proportion and differences between County contributions and its proportionate share of contributions	314,334	69,567
County contributions subsequent to the measurement date	1,778,506	-
Total	\$ 2,779,003	1,328,859

\$1,778,506 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. 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
2024	\$ (720,997)
2025	(515,599)
2026	(1,034,286)
2027	1,933,779
2028	8,741
Total	\$ (328,362)

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension asset in the June 30, 2022 actuarial valuation was determined using the following actuarial assumption applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2022 valuation were based on the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.

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%	3.57%
International equity	17.5	4.79
Global smart beta equity	6.0	4.16
Core plus fixed income	20.0	1.66
Public credit	4.0	3.77
Cash	1.0	0.77
Private equity	13.0	7.57
Private real assets	8.5	3.55
Private credit	8.0	3.63
Total	100.0%	

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$ 10,816,224	3,633,430	(2,683,694)

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

Payables to IPERS – All legally required County contributions and legally required employee contributions which had been withheld from employee wages were remitted by the County to IPERS by June 30, 2023.

(9) Other Postemployment Benefits (OPEB)

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

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

Retired participants must be age 55 or older at retirement. At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	9
Active employees	<u>312</u>
Total	<u>321</u>

Total OPEB Liability – The County's total OPEB liability of \$1,740,151 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2022)	3.25% per annum.
Rates of salary increase (effective June 30, 2022)	3.25% per year, including inflation plus merit/productivity increases.
Discount rate (effective June 30, 2023)	4.13% compounded annually,
Healthcare cost trend rate (effective June 30, 2022)	7.50% initial rate decreasing to an ultimate rate of 4.50%.

Discount Rate – The discount rate used to measure the total OPEB liability was 4.13% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the SOA Public Plan 2010 tables. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 1,474,541
Changes for the year:	
Service cost	125,937
Interest	63,504
Differences between expected and actual experiences	118,636
Changes in assumptions	54,127
Benefit payments	<u>(96,594)</u>
Net changes	<u>265,610</u>
Total OPEB liability end of year	<u>\$ 1,740,151</u>

Changes of assumptions reflect a change in the discount rate from 4.09% in fiscal year 2022 to 4.13% in fiscal year 2023.

Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.13%) or 1% higher (5.13%) than the current discount rate.

	1% Decrease (3.13%)	Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB liability	\$ 1,895,995	1,740,151	1,595,755

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 (initial rate of 6.50%, decreasing to an ultimate rate of 3.50%) or 1% higher (initial rate of 8.50%, decreasing to an ultimate rate of 5.50%) than the current healthcare cost trend rates.

	1% Decrease (6.50%)	Healthcare Cost Trend Rate (7.50%)	1% Increase (8.50%)
Total OPEB liability	\$ 1,517,294	1,740,151	2,006,972

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2023, the County recognized OPEB expense of \$175,915. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 150,996	241,493
Changes in assumptions	172,802	167,939
Total	\$ 323,798	409,432

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

Year Ending June 30,	Amount
2024	\$ 13,331
2025	(42,145)
2026	(31,239)
2027	(54,374)
2028	28,793
	<u>\$ (85,634)</u>

(10) Risk Management

The County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 800 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, employment practices liability, public officials liability, cyber liability and law enforcement 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, 2023 were \$609,387.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, employment practices, law enforcement, cyber, 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, 2023, no liability has been recorded in the County's financial statements. As of June 30, 2023, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$1,000,000 and \$500,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(11) Employee Health Insurance Plan

The Internal Service, Employee Group Health Fund was established to account for the partial self-funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with First Administrators. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of \$50,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to First Administrators from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2023 was \$3,186,752.

Amounts payable from the Employee Group Health Fund at June 30, 2023 total \$909,673, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior year and current year claims and to establish a reserve for catastrophic losses. That reserve was \$4,474,104 at June 30, 2023 and is reported as a designation of the Internal Service, Employee Group Health Fund net position. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid claims beginning of year	\$ 700,649
Incurred claims (including claims incurred but not reported at June 30, 2023)	3,742,604
Payments on claims during the fiscal year	<u>(3,533,580)</u>
Unpaid claims end of year	<u>\$ 909,673</u>

(12) Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 for employees. The 457 Plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights must be held in trust of the exclusive benefit of plan participants and beneficiaries. These funds are invested and held by an outside investment company and do not constitute a liability of the County.

(13) Economic Development Agreements

The County has entered into a development agreement with Tyson Fresh Meats (developer). The County agreed to pay the developer a maximum of \$574,000 for the construction and expansion of the company's pork processing facilities in the Dallas County Development Urban Renewal Area. The developer agrees the construction is to be completed no later than December 31, 2020. Starting October 15, 2021 and every October 15 thereafter during the term, the developer shall submit documentation to the satisfaction of the County, to demonstrate the completed project is part of the Company's business operations. The agreement requires five annual payments as a percentage of incremental property tax revenues the County earns from the property. The first payment, starting June 1, 2023 will be 75% of incremental property tax revenues and each succeeding year after being reduced by 15% for up to five years, provided the developer is in compliance with the terms of the agreement. The total payments in the year ended June 30, 2023 were \$56,882. The outstanding balance of the agreement at June 30, 2023 was \$517,118.

(14) 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.

For the year ended June 30, 2023, the County abated \$13,418 of property tax under the urban renewal and economic development project.

Tax Abatements of Other Entities

Other entities within the County also provided tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa. Additionally, the City of Dallas offered an urban revitalization tax abatement program pursuant to Chapter 404 of the Code of Iowa. With prior approval by the governing body, this program provides for an exemption of taxes based on a percentage of the actual value added by improvements.

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2023 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Clive	Urban renewal and economic development projects	\$ 5,140
City of Dallas Center	Other tax abatement projects	5,823
City of De Soto	Urban renewal and economic development projects	6,287
City of Granger	Urban renewal and economic development projects	14,607
City of Perry	Urban renewal and economic development projects	2,631
	Other tax abatement projects	13,790
City of Van Meter	Other tax abatement projects	48,434
City of Waukee	Urban renewal and economic development projects	125,116
City of West Des Moines	Urban renewal and economic development projects	165,255
City of Woodward	Urban renewal and economic development projects	8,234

(15) Pending Litigation

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

(16) Construction Commitment

On June 6, 2023, the County entered into an initial contract, subsequently amended on August 15, 2023, for \$25,556,686 for construction of a new administration building. The construction of the new administration building began in July 2023.

(17) Subsequent Events

On July 1, 2023, the County entered into a 28E agreement with County Rural Offices of Social Services (CROSS) to serve as the regional administrator, provide regional service system management, and to provide for CROSS and its member counties certain management and administrative services related to mental health and disability services as described in Chapter 331.389 of the Iowa Code.

On March 11, 2024, Tyson Foods notified Iowa Workforce Development and others of their intention to close a processing plant in the County. The County will immediately begin to assess the impacts of this closure.

Dallas County

Required Supplementary Information

Dallas County

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

Required Supplementary Information

Year ended June 30, 2023

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	\$ 32,315,683	-	32,315,683
Interest and penalty on property tax	189,552	-	189,552
Intergovernmental	18,776,895	-	18,776,895
Licenses and permits	267,280	-	267,280
Charges for service	3,576,719	-	3,576,719
Use of money and property	2,291,227	3,529	2,287,698
Miscellaneous	847,796	130,261	717,535
Total receipts	58,265,152	133,790	58,131,362
Disbursements:			
Public safety and legal services	16,652,006	-	16,652,006
Physical health and social services	2,105,304	-	2,105,304
County environment and education	3,658,225	33,555	3,624,670
Roads and transportation	11,124,725	-	11,124,725
Governmental services to residents	3,096,827	-	3,096,827
Administration	4,017,193	-	4,017,193
Non-program	16,299	-	16,299
Debt service	2,355,090	24,475	2,330,615
Capital projects	4,199,782	-	4,199,782
Total disbursements	47,225,451	58,030	47,167,421
Excess (deficiency) of receipts over (under) disbursements	11,039,701	75,760	10,963,941
Other financing sources, net	23,396	9,396	14,000
Change in balances	11,063,097	85,156	10,977,941
Balance beginning of year	54,718,281	594,182	54,124,099
Balance end of year	\$ 65,781,378	679,338	65,102,040

See accompanying independent auditor's report.

Budgeted Amounts		Final to Net Variance
Original	Final	
30,442,548	30,498,931	1,816,752
103,500	103,500	86,052
7,628,948	17,413,548	1,363,347
239,850	250,850	16,430
3,346,587	3,146,587	430,132
437,576	1,807,576	480,122
1,233,050	1,511,913	(794,378)
43,432,059	54,732,905	3,398,457
17,700,692	19,015,351	2,363,345
2,150,190	2,326,058	220,754
3,530,286	4,465,224	840,554
10,504,677	12,075,577	950,852
2,734,956	3,500,791	403,964
2,373,122	4,305,367	288,174
107,082	109,500	93,201
2,330,616	2,330,616	1
7,188,124	7,554,817	3,355,035
48,619,745	55,683,301	8,515,880
(5,187,686)	(950,396)	11,914,337
-	-	14,000
(5,187,686)	(950,396)	11,928,337
30,760,736	53,924,172	199,927
25,573,050	52,973,776	12,128,264

Dallas County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2023

	<u>Governmental Funds</u>		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 58,265,152	(8,190,751)	50,074,401
Expenditures	47,225,451	253,876	47,479,327
Net	11,039,701	(8,444,627)	2,595,074
Other financing sources, net	23,396	16,078	39,474
Beginning fund balances	54,718,281	(12,677,409)	42,040,872
Ending fund balances	<u>\$ 65,781,378</u>	<u>(21,105,958)</u>	<u>44,675,420</u>
Unrealized loss on investments*	(2,534,809)		
Cash, cash equivalents and pooled investments	<u>\$ 63,246,569</u>		

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

See accompanying independent auditor's report.

Dallas County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2023

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

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

Formal and legal budgetary control is based upon nine major classes of expenditures known as functions, not by fund. These nine functions are: public safety and legal services, physical health and social services, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$7,063,556. The budget amendments are reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by 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, 2023, disbursements exceeded the amounts budgeted in the administration function prior to the budget amendment. In addition, disbursements exceeded the amounts appropriated in certain departments prior to an appropriation amendment by the Board of Supervisors and also at year end.

Dallas County

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

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

Required Supplementary Information

	2023	2022	2021	2020
County's proportion of the net pension liability/asset	0.096170%	1.317908% **	0.138134%	0.129090%
County's proportionate share of the net pension liability (asset)	\$ 3,633	(4,550)	9,704	7,475
County's covered payroll	\$ 16,756	15,772	14,844	14,219
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	21.68%	(28.85%)	65.37%	52.57%
IPERS' net position as a percentage of the total pension liability (asset)	91.40%	100.81%	82.90%	85.45%

* 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.

2019	2018	2017	2016	2015
0.130866%	0.142952%	0.141174%	0.128206%	0.119569%
8,281	9,522	8,885	6,334	4,742
13,607	13,369	12,784	11,788	11,318
60.86%	71.22%	69.50%	53.73%	41.90%
83.62%	82.21%	81.82%	85.19%	87.61%

Dallas County

Schedule of County Contributions

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

Required Supplementary Information

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Statutorily required contribution	\$ 1,779	1,566	1,489	1,414
Contributions in relation to the statutorily required contribution	<u>(1,779)</u>	<u>(1,566)</u>	<u>(1,489)</u>	<u>(1,414)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 19,107	16,756	15,772	14,844
Contributions as a percentage of covered payroll	9.31%	9.35%	9.44%	9.53%

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
1,364	1,236	1,216	1,152	1,081	1,041
(1,364)	(1,236)	(1,216)	(1,152)	(1,081)	(1,041)
-	-	-	-	-	-
14,219	13,607	13,369	12,784	11,788	11,318
9.59%	9.08%	9.10%	9.01%	9.17%	9.20%

Dallas County

Dallas County

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2023

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

The 2022 valuation incorporated the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates for Regular members.
- Lowered disability rates for Regular members.
- Adjusted termination rates for all membership groups.

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

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

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

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

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

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

Dallas County

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

For the Last Seven Years
Required Supplementary Information

	2023	2022	2021	2020
Service cost	\$ 125,937	177,088	131,467	120,616
Interest cost	63,504	43,527	46,589	62,306
Difference between expected and actual experiences	118,636	(247,114)	(41,172)	(168,497)
Changes in assumptions	54,127	(251,909)	180,010	103,039
Benefit payments	(96,594)	(114,386)	(138,192)	(165,207)
Net change in total OPEB liability	265,610	(392,794)	178,702	(47,743)
Total OPEB liability beginning of year	1,474,541	1,867,335	1,688,633	1,736,376
Total OPEB liability end of year	\$ 1,740,151	1,474,541	1,867,335	1,688,633
Covered-employee payroll	\$ 20,116,248	17,066,767	16,452,212	15,111,424
Total OPEB liability as a percentage of covered-employee payroll	8.65%	8.64%	11.35%	11.17%

See accompanying independent auditor's report.

2019	2018	2017
94,371	102,364	42,557
54,182	54,099	34,944
312,808	(131,012)	224,545
20,065	(30,141)	7,253
(100,456)	(113,339)	(64,633)
380,970	(118,029)	244,666
1,355,406	1,473,435	1,228,769
1,736,376	1,355,406	1,473,435
14,469,527	14,052,888	13,512,392
12.00%	9.65%	10.90%

Dallas County

Notes to Required Supplementary Information – OPEB Liability

Year ended June 30, 2023

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

The 2023 valuation implemented the following refinements as a result of a new actuarial opinion dated June 30, 2023:

- Changed mortality assumptions to the SOA Public Plan 2010 tables.

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, 2023:	4.13%
Year ended June 30, 2022:	4.09%
Year ended June 30, 2021:	2.19%
Year ended June 30, 2020:	2.66%
Year ended June 30, 2019:	3.51%
Year ended June 30, 2018:	3.87%
Year ended June 30, 2017:	3.56%
Year ended June 30, 2016:	2.92%

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

Supplementary Information

Dallas County
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2023

				Special
Assets	Wetland Bank Maintenance	County Sheriff Forfeiture	Sheriff Federal Forfeiture	County Attorney Forfeiture
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ 1,425,066	66,888	24,656	41,750
Conservation Foundation	-	-	-	-
Receivables:				
Succeeding year tax increment financing	-	-	-	-
Opioid settlement	-	-	-	-
Accrued interest	-	-	-	-
Drainage assessments	-	-	-	-
Due from other governments	-	-	-	70
Total assets	\$ 1,425,066	66,888	24,656	41,820
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 1,730	198	-	-
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year tax increment financing	-	-	-	-
Other	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted for:				
Drainage district purposes	-	-	-	-
Conservation purposes	-	-	-	-
Forfeitures	-	66,690	24,656	41,820
Wetland bank maintenance	1,423,336	-	-	-
Opioid abatement	-	-	-	-
Other purposes	-	-	-	-
Total fund balances	1,423,336	66,690	24,656	41,820
Total liabilities, deferred inflows of resources and fund balances	\$ 1,425,066	66,888	24,656	41,820

See accompanying independent auditor's report.

Revenue							
County Recorder's Records Management	Resource Enhancement and Protection	Conservation Conditional Use	Local Government Opioid Abatement	Drainage Districts	Tax Increment Financing	Conservation Foundation	Total
91,164	251,563	1,164,969	248,707	86,646	-	-	3,401,409
-	-	-	-	-	-	592,692	592,692
-	-	-	-	-	45,000	-	45,000
-	-	-	898,613	-	-	-	898,613
-	468	8,978	-	-	-	-	9,446
-	-	-	-	68,603	-	-	68,603
-	-	-	-	-	-	-	70
91,164	252,031	1,173,947	1,147,320	155,249	45,000	592,692	5,015,833
-	-	-	-	-	-	-	1,928
-	-	-	-	-	45,000	-	45,000
-	-	-	856,944	68,603	-	-	925,547
-	-	-	856,944	68,603	45,000	-	970,547
-	-	-	-	86,646	-	-	86,646
-	-	1,173,947	-	-	-	592,692	1,766,639
-	-	-	-	-	-	-	133,166
-	-	-	-	-	-	-	1,423,336
-	-	-	290,376	-	-	-	290,376
91,164	252,031	-	-	-	-	-	343,195
91,164	252,031	1,173,947	290,376	86,646	-	592,692	4,043,358
91,164	252,031	1,173,947	1,147,320	155,249	45,000	592,692	5,015,833

Dallas County

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

Year ended June 30, 2023

	Special			
	Wetland Bank Maintenance	County Sheriff Forfeiture	Sheriff Federal Forfeiture	County Attorney Forfeiture
Revenues:				
Tax increment financing	\$ -	-	-	-
Intergovernmental	40,660	-	-	-
Charges for service	-	-	-	-
Use of money and property	15,829	-	-	-
Miscellaneous	-	20,000	-	2,466
Total revenues	56,489	20,000	-	2,466
Expenditures:				
Operating:				
Public safety and legal services	-	14,278	-	-
County environment and education	22,411	-	-	-
Governmental services to residents	-	-	-	-
Debt service	-	-	-	-
Total expenditures	22,411	14,278	-	-
Excess (deficiency) of revenues over (under) expenditures	34,078	5,722	-	2,466
Other financing sources (uses):				
Transfers out	-	-	-	-
Drainage warrants issued	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Change in fund balances	34,078	5,722	-	2,466
Fund balances beginning of year	1,389,258	60,968	24,656	39,354
Fund balances end of year	\$ 1,423,336	66,690	24,656	41,820

See accompanying independent auditor's report.

Revenue								
County Recorder's Records Management	Resource Enhancement and Protection	Conservation Conditional Use	Local Government Opioid Abatement	Drainage Districts	Tax Increment Financing	Conservation Foundation		Total
-	-	-	-	-	56,382	-		56,382
-	29,347	-	-	-	500	-		70,507
19,457	-	-	-	-	-	-		19,457
-	3,829	21,181	-	-	-	3,529		44,368
-	-	-	290,376	21,738	-	108,523		443,103
19,457	33,176	21,181	290,376	21,738	56,882	112,052		633,817
-	-	-	-	-	-	-		14,278
-	-	-	-	25,474	56,882	8,081		112,848
1,681	-	-	-	-	-	-		1,681
-	-	-	-	24,475	-	-		24,475
1,681	-	-	-	49,949	56,882	8,081		153,282
17,776	33,176	21,181	290,376	(28,211)	-	103,971		480,535
-	-	-	-	-	-	(16,078)		(16,078)
-	-	-	-	25,474	-	-		25,474
-	-	-	-	25,474	-	(16,078)		9,396
17,776	33,176	21,181	290,376	(2,737)	-	87,893		489,931
73,388	218,855	1,152,766	-	89,383	-	504,799		3,553,427
91,164	252,031	1,173,947	290,376	86,646	-	592,692		4,043,358

Dallas County

Dallas County

Combining Schedule of Net Position
Internal Service Funds

June 30, 2023

	Professional Services	Employee Group Health	Total
Assets			
Cash and pooled investments	\$ 645,719	5,366,350	6,012,069
Accounts receivable	-	4,285	4,285
Accrued interest receivable	-	13,142	13,142
Prepaid expenditures	294,487	-	294,487
Due from other governments	946,413	-	946,413
Capital assets, net of accumulated depreciation	388,831	-	388,831
Total assets	2,275,450	5,383,777	7,659,227
Deferred Outflows of Resources			
OPEB related deferred outflows	19,428	-	19,428
Pension related deferred outflows	166,740	-	166,740
Total deferred outflows of resources	186,168	-	186,168
Liabilities			
Accounts payable	113,787	909,673	1,023,460
Salaries and benefits payable	50,907	-	50,907
Due to other governments	3,347	-	3,347
Long-term liabilities:			
Portion due or payable within one year:			
Compensated absences	61,352	-	61,352
Total OPEB liability	5,796	-	5,796
Portion due or payable after one year:			
Compensated absences	164,728	-	164,728
Net pension liability	218,006	-	218,006
Total OPEB liability	98,612	-	98,612
Total liabilities	716,535	909,673	1,626,208
Deferred Inflows of Resources			
Unavailable revenues:			
OPEB related deferred inflows	24,566	-	24,566
Pension related deferred inflows	79,732	-	79,732
Total deferred outflows of resources	104,298	-	104,298
Net Position			
Net investment in capital assets	388,831	-	388,831
Nonspendable-prepaid Items	294,487	-	294,487
Unrestricted	957,467	4,474,104	5,431,571
Total net position	\$ 1,640,785	4,474,104	6,114,889

See accompanying independent auditor's report.

Schedule 4

Dallas County

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

Year ended June 30, 2023

	Professional Services	Employee Group Health	Total
Operating revenues:			
Reimbursements from operating funds and other governmental units	\$ 3,892,663	3,186,752	7,079,415
Reimbursements from employees and others	-	599,418	599,418
Miscellaneous	52,884	-	52,884
Total operating revenues	<u>3,945,547</u>	<u>3,786,170</u>	<u>7,731,717</u>
Operating expenses:			
Medical claims	-	3,742,604	3,742,604
Administrative and other fees	-	526,396	526,396
Central services	942,032	-	942,032
Information technology	1,325,238	-	1,325,238
Operations administration	394,211	-	394,211
Human resources	498,400	-	498,400
Depreciation	179,502	-	179,502
Total operating expenses	<u>3,339,383</u>	<u>4,269,000</u>	<u>7,608,383</u>
Operating income	606,164	(482,830)	123,334
Non-operating revenues:			
Interest income	-	101,079	101,079
Net income	606,164	(381,751)	224,413
Net position beginning of year	<u>1,034,621</u>	<u>4,855,855</u>	<u>5,890,476</u>
Net position end of year	<u>\$ 1,640,785</u>	<u>4,474,104</u>	<u>6,114,889</u>

See accompanying independent auditor's report.

Dallas County
Combining Schedule of Cash Flows
Internal Service Funds

Year ended June 30, 2023

	Professional Services	Employee Group Health	Total
Cash flows from operating activities:			
Cash received from operating funds and other reimbursements	\$ 4,105,693	3,948,159	8,053,852
Cash paid for personal services	(3,338,534)	-	(3,338,534)
Cash paid to suppliers for services	-	(4,059,976)	(4,059,976)
Net cash provided by operating activities	767,159	(111,817)	655,342
Cash flows from non-capital financing activities:			
Deficit cash elimination from the General Fund	(9,382)	-	(9,382)
Cash flows from capital and related financing activities:			
Purchase of equipment	(112,058)	-	(112,058)
Cash flows from investing activities:			
Interest on investments	-	90,042	90,042
Increase (decrease) in cash and cash equivalents	645,719	(21,775)	623,944
Cash and cash equivalents beginning of year	-	5,388,125	5,388,125
Cash and cash equivalents end of year	\$ 645,719	5,366,350	6,012,069
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income	\$ 606,164	(482,830)	123,334
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation/amortization	179,502	-	179,502
Changes in assets and liabilities:			
Accounts receivable and due from other governments	160,146	161,989	322,135
Prepaid insurance	(63,110)	-	(63,110)
Deferred outflows of resources	(19,035)	-	(19,035)
Accounts payable and due to other governments	27,618	209,024	236,642
Salaries and benefits payable	(35,162)	-	(35,162)
Compensated absences	12,557	-	12,557
Net pension liability	490,992	-	490,992
Deferred inflows of resources	(608,449)	-	(608,449)
Total OPEB liability	15,936	-	15,936
Net cash provided by operating activities	\$ 767,159	(111,817)	655,342

See accompanying independent auditor's report.

Dallas County

Combining Schedule of Fiduciary Net Position
Custodial Funds

June 30, 2023

	County Offices	Heart of Iowa Mental Health Region	Agricultural Extension Education	County Assessor
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ -	1,027,038	1,918	466,648
Other County officials	326,372	-	-	-
Receivables:				
Property tax:				
Delinquent	-	-	250	626
Succeeding year	-	-	641,000	2,601,000
Accounts	5,176	-	-	-
Special assessments	-	-	-	-
Due from other governments	-	361	-	-
Prepaid expenses	-	46	-	7,739
Total assets	\$ 331,548	1,027,445	643,168	3,076,013
Liabilities				
Accounts payable	\$ -	412,591	-	73,151
Salaries and benefits payable	-	-	-	37,889
Due to other governments	225,917	291,132	1,918	28,767
Trusts payable	105,631	-	-	-
Compensated absences	-	-	-	89,661
Total liabilities	331,548	703,723	1,918	229,468
Deferred Inflows of Resources				
Unavailable revenues	-	-	641,000	2,601,000
Net Position				
Restricted for individuals, organizations and other governments	\$ -	323,722	250	245,545

See accompanying independent auditor's report.

Schools	Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Other	Total
406,570	15,505	267,374	3,562	21,624	4,189,486	1,584,064	7,983,789
-	-	-	-	-	-	-	326,372
54,275	2,019	45,796	58	11,990	-	1,665	116,679
148,721,000	6,064,000	107,987,000	713,000	-	-	8,169,000	274,896,000
-	-	-	-	-	198,979	81,283	285,438
-	-	-	-	222,194	-	-	222,194
-	-	-	-	-	-	79,386	79,747
-	-	-	-	-	-	373	8,158
149,181,845	6,081,524	108,300,170	716,620	255,808	4,388,465	9,915,771	283,918,377
-	-	-	-	-	-	11,939	497,681
-	-	-	-	-	-	3,302	41,191
406,570	15,505	267,374	3,562	21,624	4,388,465	23,461	5,674,295
-	-	-	-	-	-	554,689	660,320
-	-	-	-	-	-	5,968	95,629
406,570	15,505	267,374	3,562	21,624	4,388,465	599,359	6,969,116
148,721,000	6,064,000	107,987,000	713,000	-	-	8,169,000	274,896,000
54,275	2,019	45,796	58	234,184	-	1,147,412	2,053,261

Dallas County

Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds

Year ended June 30, 2023

	County Offices	Heart of Iowa Mental Health Region	Agricultural Extension Education	County Assessor
Additions:				
Property and other county tax	\$ -	-	621,553	1,557,289
911 surcharge	-	-	-	-
State tax credits	-	-	24,701	72,700
Office fees and collections	3,368,052	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	3,717,281	-	-	-
Miscellaneous	-	4,407,569	-	-
Total additions	7,085,333	4,407,569	646,254	1,629,989
Deductions:				
Agency remittances:				
To other funds	1,215,516	-	-	-
To other governments	2,152,536	4,489,701	646,202	2,039,598
Trusts paid out	3,717,281	-	-	-
Total deductions	7,085,333	4,489,701	646,202	2,039,598
Changes in net position	-	(82,132)	52	(409,609)
Net position beginning of year, as restated	-	405,854	198	655,154
Net position end of year	\$ -	323,722	250	245,545

See accompanying independent auditor's report.

Schools	Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Other	Total
130,235,868	5,024,351	86,472,574	635,202	-	-	7,017,106	231,563,943
-	-	-	-	-	-	496,483	496,483
3,586,741	138,333	3,065,359	24,008	-	-	233,437	7,145,279
-	-	-	-	-	-	-	3,368,052
-	-	-	-	-	50,224,133	-	50,224,133
-	-	-	-	136,969	-	-	136,969
-	-	-	-	-	-	1,350,755	5,068,036
-	-	7,451	-	-	-	399,879	4,814,899
133,822,609	5,162,684	89,545,384	659,210	136,969	50,224,133	9,497,660	302,817,794
-	-	-	-	-	1,251,563	-	2,467,079
133,832,073	5,163,013	89,551,103	659,248	114,339	48,972,570	8,015,979	295,636,362
-	-	-	-	-	-	1,350,755	5,068,036
133,832,073	5,163,013	89,551,103	659,248	114,339	50,224,133	9,366,734	303,171,477
(9,464)	(329)	(5,719)	(38)	22,630	-	130,926	(353,683)
63,739	2,348	51,515	96	211,554	-	1,016,486	2,406,944
54,275	2,019	45,796	58	234,184	-	1,147,412	2,053,261

Dallas County

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

For the Last Ten Years

	2023	2022	2021	2020
Revenues:				
Property and other county tax	\$ 25,255,117	26,595,968	26,472,576	27,605,073
Local option sales tax	7,033,046	6,329,362	5,169,425	4,597,863
Interest and penalty on property tax	189,552	175,760	297,289	82,693
Tax increment financing	56,382	-	-	-
Intergovernmental	11,059,685	10,241,634	11,620,934	9,112,507
Licenses and permits	267,560	244,517	266,751	186,181
Charges for service	3,578,700	3,792,320	3,977,088	3,400,868
Use of money and property	1,772,281	(1,405,020)	610,504	1,048,946
Miscellaneous	862,078	517,809	759,797	562,057
Total	\$ 50,074,401	46,492,350	49,174,364	46,596,188
Expenditures:				
Operating:				
Public safety and legal services	\$ 16,569,922	15,002,124	14,294,578	13,515,562
Physical health and social services	2,086,130	1,912,639	1,820,228	1,836,677
Mental health	-	3,539,980	2,796,010	3,429,565
County environment and education	3,687,383	3,103,424	2,815,487	3,106,043
Roads and transportation	10,804,891	10,094,620	9,972,709	9,645,776
Governmental services to residents	3,062,568	2,469,348	2,302,761	2,271,552
Administration	3,745,018	2,279,841	2,000,753	1,965,694
Non-program	16,590	11,325	5,614	113,392
Debt service	2,355,090	2,334,126	2,364,460	4,170,805
Capital projects	5,151,735	3,718,435	2,500,292	11,463,307
Total	\$ 47,479,327	44,465,862	40,872,892	51,518,373

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
25,565,244	23,751,147	22,307,584	20,557,779	19,297,992	18,774,955
3,582,443	-	-	-	-	-
165,469	151,495	138,110	147,056	146,484	152,944
-	24,418	102,700	97,087	100,956	98,441
9,486,853	8,083,102	9,677,530	9,646,964	10,884,066	9,555,277
285,211	237,429	216,902	195,827	177,553	171,694
3,254,768	3,254,403	3,578,091	3,246,569	2,894,320	2,688,187
1,411,277	803,919	386,429	301,534	315,240	318,975
924,441	1,486,038	855,121	836,507	652,133	691,317
44,675,706	37,791,951	37,262,467	35,029,323	34,468,744	32,451,790
12,626,438	11,984,812	10,369,948	9,801,775	9,420,387	8,362,939
2,110,989	2,662,329	3,332,045	3,183,651	3,014,152	2,889,683
4,201,629	2,762,717	2,992,986	2,596,836	3,294,070	2,373,144
4,757,905	4,567,353	3,839,669	3,824,009	3,514,414	3,038,226
9,692,022	7,361,528	6,953,472	6,672,732	6,490,035	7,738,509
2,125,484	2,245,448	2,143,512	1,984,473	2,298,557	1,842,953
1,979,347	1,792,648	1,596,818	1,670,842	1,863,375	1,551,918
45,866	193,051	3,340	14,298	11,249	17,363
4,157,321	2,999,604	2,571,032	2,110,476	1,887,573	1,815,875
13,758,352	7,266,688	2,942,981	9,371,884	3,076,076	396,233
55,455,353	43,836,178	36,745,803	41,230,976	34,869,888	30,026,843

Schedule 9

Dallas County

Schedule of Expenditures of Federal Awards

Year ended June 30, 2023

Grantor/Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Program Expenditures
U.S. Department of Agriculture:			
Passed through Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	2127333	\$ 29,812
Passed through Iowa Department of Public Health:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	5880NU14	10,481
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	5881NU14E	3,365
			43,658
Passed through Iowa Department of Natural Resources:			
Cooperative Forestry Assistance	10.664	2022 CFGP	4,580
Total US Department of Agriculture			48,238
U.S. Department of the Interior:			
Payments in Lieu of Taxes	15.226	FY23	2,484
U.S. Department of Transportation:			
Passed through Iowa Department of Transportation:			
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	BROS-C025(113)--8J-25	379,136
Passed through Iowa Department of Public Safety - Governor's Traffic Safety Bureau:			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	PAP 22-402-MOPT, Task 19-00-00	14,187
State and Community Highway Safety	20.600	PAP 23-402-MOPT, Task 20-00-00	20,922
National Priority Safety Programs	20.616	PAP 22-405d-M60T, Task 00-19-00	709
National Priority Safety Programs	20.616	PAP 23-405d-M60T, Task 00-20-00	6,207
			42,025
Total U.S. Department of Transportation			421,161
U.S. Department of the Treasury			
COVID-19, Coronavirus State and Local Fiscal Recovery Funds	21.027	ARPA	788,475
U.S. Department of Health and Human Services:			
Passed through Polk County Board of Health			
Public Health Emergency Preparedness	93.069	5881BT08-E2	158,099
Passed through Iowa Department of Public Health:			
Immunization Cooperative Agreements	93.268	5883I423E	17,379
Immunization Cooperative Agreements	93.268	5885BT425	15,104
			32,483
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	5885BT425	392
Passed through Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Guardianship Assistance	93.090	2127333	7
Title IV-E Prevention Program	93.472	2127333	880
Refugee and Entrant Assistance State/Replacement Designee Administered Programs			
Foster Care Title IV-E	93.658	2127333	6,299
Adoption Assistance	93.659	2127333	3,471
Social Services Block Grant	93.667	2127333	7,850
Children's Health Insurance Program	93.767	2127333	512

Dallas County
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2023

Grantor/Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Program Expenditures
U.S. Department of Health and Human Services continued:			
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	2127333	6,903
Medicaid Cluster:			
Medical Assistance Program	93.778	2127333	33,908
Total U.S. Department of Health and Human Services			250,888
Total			\$ 1,511,246

Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Dallas County under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Dallas County, it is not intended to and does not present the financial position, changes in financial position or cash flows of Dallas County.

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

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

See accompanying independent auditor’s report.



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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 Dallas County:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Dallas County, Iowa, as of and for the year ended June 30, 2023, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 19, 2024.

Report on Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of Dallas County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in Part II of the accompanying Schedule of Findings and Questioned Costs as items 2023-001 through 2023-005 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in Part II of the accompanying Schedule of Findings and Questioned Costs as item 2023-006 to be a significant deficiency.

Report on Compliance and Other Matters

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

Comments involving statutory and other legal matters about Dallas County's operations for the year ended June 30, 2023 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of Dallas County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Dallas County's Responses to Findings

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

Purpose of this Report

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

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



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

March 19, 2024

Dallas County



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

To the Officials of Dallas County:

Report on Compliance for Each Major Federal Program

Opinion on each Major Federal Program

We have audited Dallas County, Iowa's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on Dallas County's major federal program for the year ended June 30, 2023. Dallas County's major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Dallas County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, Government Auditing Standards and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Dallas County's compliance with the compliance requirements referred to above and performing other such procedures as we considered necessary in the circumstances.
- Obtain an understanding of Dallas County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Dallas County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

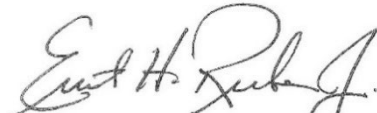
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement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

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2023-007 to be a significant deficiency.

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

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

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


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

March 19, 2024

Dallas County
Schedule of Findings and Questioned Costs
Year ended June 30, 2023

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

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- (b) Material weaknesses and significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) A significant deficiency in internal control over the major program was noted.
- (e) An unmodified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit disclosed an audit finding which is required to be reported in accordance with the Uniform Guidance, Section 200.516.
- (g) The major program was Assistance Listing Number 21.027 – COVID-19, Coronavirus State and Local Fiscal Recovery Funds.
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Dallas County did not qualify as a low-risk auditee.

Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

Part II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

2023-001 Segregation of Duties – County Recorder

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

Condition – Generally, one or two individuals in the County Recorder's office may have control over the following areas for which no compensating controls exist:

- (1) All incoming mail is not opened by an employee who is not authorized to make entries to the accounting records.
- (2) Generally, one individual may have control over collecting, depositing, posting, maintaining receivable records and daily reconciling of receipts for which no compensating controls exist.
- (3) Bank accounts were not reconciled by an individual who does not sign checks, handle or record cash. Bank reconciliations were not reviewed periodically by an independent person for propriety.

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

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

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

Response – We will review procedures in order to segregate duties as much as possible with current staff. Every member of our staff has access to make accounting entries and we cannot eliminate that. We will seek a review of the monthly reconciliation by an independent third-party associate with the county.

Conclusion – Response accepted.

Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

2023-002 Segregation of Duties – County Sheriff

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

Condition – Generally, one or two individuals in the County Sheriff's office may have control over the following areas of the commissary accounts for which no compensating controls exist:

- (1) Generally, one individual may have control over collecting, depositing, posting, maintaining receivable records and daily reconciling of receipts for which no compensating controls exist.
- (2) Generally, one individual may have control over disbursement claims processing, check writing, check signing and final approval.

Cause – The County Sheriff's office has a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

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

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

Response – The County Sheriff's office will utilize new and existing resources to improve the segregation of duties over the commissary account, going forward.

Conclusion – Response accepted.

Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

2023-003 Segregation of Duties – Conservation Foundation

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

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

Cause – County Conservation Board employees maintain the books and records for the Conservation Foundation. The County Conservation Department has a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

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

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

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

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

Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

2023-004 Financial Reporting

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

Condition – During the audit, we identified material amounts of receivables, deferred inflows of resources and payables not properly recorded in the County's financial statements. Adjustments were subsequently made by the County to properly report these amounts in the financial statements.

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

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

Recommendation – The County should establish procedures to ensure all receivables, deferred inflows of resources and payables are identified and properly reported in the County's financial statements.

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

Conclusion – Response accepted.

2023-005 Investment Activity

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 – Realized gains and losses and fees related to the County's investments were not properly recorded in the County's financial statements. Adjustments were subsequently made by the County to properly report these amounts in the financial statements.

Cause – County policies do not require, and procedures have not been established to require a monthly reconciliation of the investment accounts to the County's financial statements, to ensure the County's financial statements are accurate and reliable.

Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

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

Recommendation – The County should establish procedures to ensure all investment activity is identified and properly reported in the County’s financial statements.

Response – In August 2023, the County established procedures to ensure all investment activity, including fees is properly reported in the County’s financial statements.

Conclusion – Response accepted.

2023-006 County Sheriff Commissary Account

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

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

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

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

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

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

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCY:

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

Federal Award Year: 2021

Prior Year Finding Number: N/A

U.S. Department of Treasury

2023-007

Procurement

Criteria – The Uniform Guidance, Part 200.320(a)(2)(i), requires the auditee establish and maintain effective internal control over the acquisition of property or services, the aggregate dollar amount of which is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold. If small purchase procedures are used, price or rate quotation must be obtained from an adequate number of qualified sources as determined appropriate by the non-Federal entity.

Condition – The County has established a federal procurement policy, however for one purchase the County did not obtain quotes from an adequate number of qualified sources.

Cause – County policies were established to ensure purchases follow the federal procurement requirements; however, procedures have not been established to ensure quotes were obtained and maintained by individual County departments as required by Uniform Guidance.

Effect – Not following Uniform Guidance procurement policies could result in the purchase being made at a cost higher than what was necessary for the project requirements.

Recommendation – The County should establish procedures to ensure all County departments follow the federal procurement policy in accordance with Uniform Guidance, Part 200.320(a)(2)(i).

Response – The County established procedure in January 2024 to ensure all departments of the County are following the established County federal procurement policy.

Conclusion – Response accepted.

Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

Part IV: Other Findings Related to Required Statutory Reporting:

2023-A Certified Budget – During the year ended June 30, 2023, disbursements exceeded the amount budgeted in the administration function prior to the budget amendment. In addition, disbursements in certain departments exceeded the amount appropriated prior to approval of an appropriation amendment and at year end.

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

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

Response – The County will make an effort to amend the budget and appropriations of offices or departments prior to exceeding the budgeted amounts.

Conclusion – Response accepted.

2023-B Questionable Expenditures – In accordance with Article III, Section 31 of the Iowa Constitution and an Attorney General’s Opinion dated April 25, 1979, public funds may only be spent for public benefit. Certain expenditures were noted which we believe may not meet the requirement of public purpose as defined in the Attorney General’s opinion since the public benefit to be derived have not been clearly documented. These expenditures are detailed as follows:

<u>Paid to</u>	<u>Purpose</u>	<u>Amount</u>
Wells Fargo Business Card		
Amazon	Prime membership	\$ 499
Amazon	Prime membership	139
Amazon	Decorations for employee party	24
Culligan Water	Drinking water for employees	107
Fareway Stores, Inc.	Snacks for employees	42
HelloFlowers.com	Sympathy flowers for family member of County official	110

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

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

Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

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

Conclusion – Response accepted.

- 2023-C Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- 2023-D Business Transactions – No business transactions between the County and County officials or employees were noted.
- 2023-E Restricted Donor Activity – No transactions were noted between the County, County officials or County employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- 2023-F Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- 2023-G Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- 2023-H Deposits and Investments – No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.
- 2023-I Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- 2023-J Annual Urban Renewal Report – The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1 and no exceptions were noted.
- 2023-K Tax Increment Financing – Dallas County properly completed the Tax Increment Forms 1, 2, or 3 as appropriate, to certify Tax Increment Financing (TIF) obligations (debt), to decertify TIF debt or to request a reduced distribution of TIF.
- 2023-L Taxable Meals – Reimbursement for meal expenses incurred on one-day travel is taxable income to the employee unless such reimbursements are deemed “occasional” per internal Revenue Service (IRS) De Minimis Meal guidelines.

During fiscal year 2023, three transactions for meals, which required only one-day travel, were not included in the employee's gross wages and payroll taxes were not withheld.

Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

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

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

Conclusion – Response accepted.

Dallas County

Staff

This audit was performed by:

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