



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Auditor of State

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NEWS RELEASE

Contact: Brian Brustkern
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FOR RELEASE

March 28, 2024

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

FINANCIAL HIGHLIGHTS:

The County's revenues totaled \$24,922,643 for the year ended June 30, 2023, a 13.5% decrease. Expenses for County operations for the year ended June 30, 2023 totaled \$19,240,002, a 14.7% increase. The significant decrease in the revenues is due primarily to less capital contributions received from Iowa Department of Transportation. The significant increase in expense is due primarily to spending of the American Rescue Plan Act funds.

AUDIT FINDINGS:

Sand reported seven findings related to the receipt and expenditure of taxpayer funds. They are found on pages 90 through 96 of this report. The findings address a lack of segregation of duties, adjustments needed to properly record receivables, payables and capital assets in the County's financial statements and appropriations exceeding budgeted amounts prior to amendment. Sand provided the County with recommendations to address each of these findings.

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

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

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DICKINSON COUNTY
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS
JUNE 30, 2023

Dickinson County



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Rob Sand
Auditor of State

March 13, 2024

Officials of Dickinson County
Spirit Lake, Iowa

Dear Board Members:

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

Sincerely,

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

Rob Sand
Auditor of State

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Dickinson County

Officials

(Before January 2023)

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

(After January 2023)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Tim Fairchild	Board of Supervisors	Jan 2025
Jeff Thee	Board of Supervisors	Jan 2025
Steve Clark	Board of Supervisors	Jan 2027
William Leupold	Board of Supervisors	Jan 2027
Kim Wermersen	Board of Supervisors	Jan 2027
Lori Pedersen	County Auditor	Jan 2025
Kris Rowley	County Treasurer	Jan 2027
Ann Ditsworth	County Recorder	Jan 2027
Gregory Baloun	County Sheriff	Jan 2025
Amy Zenor	County Attorney	(Resigned Jan 2023)
Steven Goodlow (Appointed Jan 2023)	County Attorney	Nov 2024
Stephanie Sohn	County Assessor	Jan 2028



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Independent Auditor's Report

To the Officials of Dickinson County:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of Dickinson County, Iowa, as of and for the year ended June 30, 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, the discretely presented component unit and the aggregate remaining fund information of Dickinson 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 with 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 Dickinson County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 22, Dickinson County's beginning net position for governmental activities and the Special Revenue, Opioid Abatement Fund were restated to correctly report deferred inflows of resources.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Dickinson County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Dickinson County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 8 through 16 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 Dickinson County’s basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2022 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information in Schedules 1 through 5 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 13, 2024 on our consideration of Dickinson County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Dickinson County’s internal control over financial reporting and compliance.



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

March 13, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Dickinson County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 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 Sioux Rivers Regional Mental Health and Disability Services prior to June 30, 2022.
- Revenues of the County's governmental activities decreased 13.5%, or approximately \$3,891,000, from fiscal year 2022 to fiscal year 2023. Capital grants, contributions and restricted interest decreased approximately \$6,061,000 due primarily to the County receiving \$603,000 in donated infrastructure from the Iowa Department of Transportation during the current year compared to \$3,975,000 in the previous year.
- Program expenses of the County's governmental activities increased 14.7%, or approximately \$2,461,000, over fiscal year 2022. Administration expenses increased 57.2% or approximately \$1,627,000, due primarily to American Rescue Plan project expenses.
- The County's governmental activities net position at June 30, 2023 increased 5.9%, or approximately \$5,436,000 over the June 30, 2022 balance.

USING THIS ANNUAL REPORT

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

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

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

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

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

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

Supplementary Information provides detailed information about the nonmajor governmental and the individual Custodial Funds.

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Net Position of Governmental Activities (Expressed in Thousands)		
	June 30,	
	2023	2022
Current and other assets	\$ 46,098	49,133
Capital assets	79,233	76,089
Total assets	125,331	125,222
Deferred outflows of resources	815	808
Long-term liabilities	12,341	13,500
Other liabilities	2,159	5,386
Total liabilities	14,500	18,886
Deferred inflows of resources	14,793	15,727
Net position:		
Net investment in capital assets	77,812	73,455
Restricted	12,959	12,422
Unrestricted	6,082	5,540
Total net position	\$ 96,853	91,417

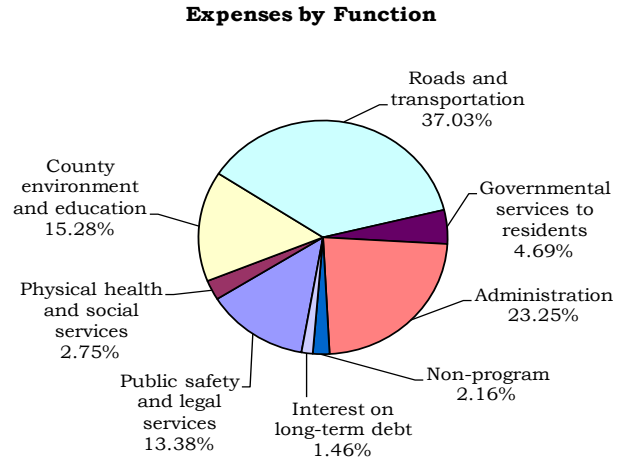
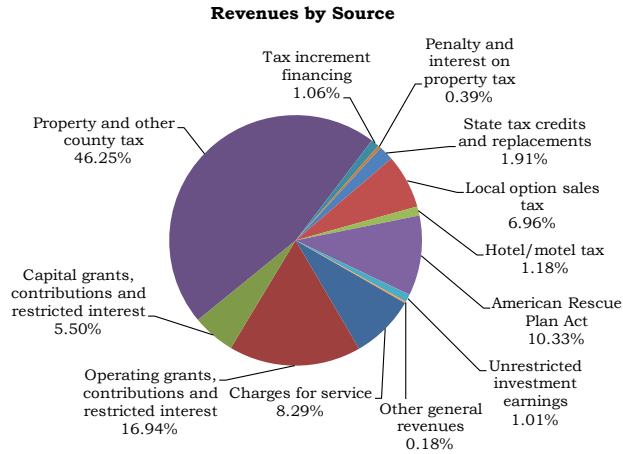
The net position of Dickinson County’s governmental activities increased approximately 5.9% (approximately \$96.9 million compared to approximately \$91.4 million).

A large portion of the County’s net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased approximately \$4,357,000, or 5.9%, over the prior year, primarily the result of construction on multiple trail projects and the county-wide 911 system project.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how it can be used. Restricted net position increased approximately \$537,000, or 4.3%.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased approximately \$542,000, or 9.8%, over the previous year.

Changes in Net Position of Governmental Activities		
(Expressed in Thousands)		
	Year ended June 30,	
	2023	2022
Revenues:		
Program revenues:		
Charges for service	\$ 2,065	2,324
Operating grants, contributions and restricted interest	4,223	4,019
Capital grants, contributions and restricted interest	1,370	7,431
General revenues:		
Property and other county tax	11,530	11,651
Tax increment financing	263	264
Penalty and interest on property tax	98	96
State tax credits and replacements	475	516
Local option sales tax	1,734	2,039
Hotel/motel tax	295	243
American Rescue Plan Act	2,574	-
Unrestricted investment earnings	252	(139)
Other general revenues	44	370
Total revenues	24,923	28,814
Program expenses:		
Public safety and legal services	2,575	2,371
Physical health and social services	530	552
Mental health	-	525
County environment and education	2,940	2,878
Roads and transportation	7,124	5,980
Governmental services to residents	902	829
Administration	4,473	2,846
Non-program	416	488
Interest on long-term debt	280	310
Total expenses	19,240	16,779
Change in net position	5,683	12,035
Net position beginning of year, as restated	91,170	79,382
Net position end of year	\$ 96,853	91,417



The countywide taxable valuation increased approximately 4.8%, and the levy rate decreased 4.1%, resulting in a decrease in the County’s property tax revenue of approximately \$121,000 for fiscal year 2023. Based on an increase of approximately 0.7% in next year’s taxable valuation and an increase in levy rates for fiscal year 2024, property tax is expected to increase slightly next year.

INDIVIDUAL MAJOR FUND ANALYSIS

As Dickinson County completed the year, its governmental funds reported a combined fund balance of approximately \$27.8 million, an increase of approximately \$164,000 over last year’s restated total of approximately \$27.6 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues increased approximately \$3,268,000 and expenditures increased approximately \$4,028,000. The ending fund balance decreased approximately \$160,000 from the prior year to approximately \$7.5 million. The increase in revenue and expenditures was due primarily to an increase in American Rescue Plan Act funds earned and expended. In addition, property taxes increased \$433,000 due to an increase in the taxable valuation.
- Special Revenue, Rural Services Fund revenues increased approximately \$25,000. Expenditures decreased approximately \$299,000 and transfers out increased approximately \$90,000. These changes resulted in the ending fund balance increasing approximately \$488,000 to approximately \$2,260,000 at June 30, 2023. The decrease in expenditures was due primarily to fewer purchases of equipment.
- Special Revenue, Secondary Roads Fund expenditures decreased approximately \$1,558,000, or 21.0%, due to fewer roadway construction projects during the year. Secondary Roads Fund revenues increased approximately \$399,000, primarily due to an increase in local reimbursements for projects. Transfers in increased approximately \$55,000. The Secondary Roads Fund ending balance increased approximately \$1,884,000.

- The Special Revenue, Drainage Districts Fund ended the year with a fund balance of approximately \$189,000 compared to a deficit fund balance of approximately \$168,000 at the end of the prior year. Drainage District revenues increased approximately \$488,000. Expenditures increased approximately \$157,000, due primarily to fewer drainage projects in fiscal year 2023 compared to the prior year netted with an increase in debt service payments. Stamped drainage warrants issued decreased approximately \$533,000.
- The Special Revenue, Dickinson County Trails Fund reported a decrease in revenues of approximately \$2,489,000 due to a decrease of grants from private sources for the construction of trails. Expenditures increased approximately \$420,000. The fund balance decreased approximately \$1,149,000 or 34.4%.
- The Special Revenue, TIF and Urban Renewal Fund reported a decrease in revenues of approximately \$3,000. TIF and Urban Renewal Fund expenditures remained the same. The balance in the fund at June 30, 2023 was approximately \$189,000.
- Revenues of the Debt Service Fund decreased approximately \$310,000. Expenditures decreased approximately \$105,000. Debt service payments were approximately \$2.1 million in fiscal year 2023. The ending fund balance in the Debt Service Fund decreased approximately \$900,000. The fund balance is large because debt for the Lakes Regional Hospital of \$7,390,000 is not recorded as a fund liability under the modified accrual basis of accounting; however, a receivable from the hospital is recorded.

BUDGETARY HIGHLIGHTS

Over the course of the year, Dickinson County amended its budget one time. The amendment was made on April 18, 2023 to increase the budget in the public safety and legal services, physical health and social services, county environment and education, administration and nonprogram current functions for allowance for disbursements from the America Rescue Plan Act receipts for county projects and the county-wide radio system, an increase in juvenile detention housing fees and pass through for immunization grants. This resulted in an increase in budgeted disbursements of \$3,044,407.

The County's receipts were \$3,145,256 less than budgeted, a variance of 12.8%. The County received less intergovernmental grants than budgeted.

Total disbursements were \$8,171,972 less than the amended budget. Actual disbursements for the county environment and education, capital projects and public safety and legal services functions were approximately \$3,596,000, \$2,799,000 and \$744,000, respectively, less than the budgeted amount because various projects, including federal projects, were expected to be completed in the current year, but actual completion dates were in the next fiscal year.

Even with the budget amendment, disbursements in the administration function exceeded the amount budgeted prior to the budget amendment and disbursements in one department exceeded the amounts appropriated prior to the budget amendment and one department exceeded the amount appropriated at year end.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, Dickinson County had approximately \$79.2 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges and intangible assets. This is a net increase (including additions and deletions) of approximately \$3,144,000, or 4.1%, over last year.

Capital Assets of Governmental Activities at Year End		
(Expressed in Thousands)		
	June 30,	
	2023	2022
Land	\$ 9,460	9,460
Intangibles, road network	530	530
Construction in progress	14,403	9,987
Buildings and improvements	17,480	17,952
Equipment and vehicles	6,973	7,408
Right-to-use leased equipment	9	13
Intangibles, other	78	27
Infrastructure	30,299	30,713
Total	\$ 79,233	76,089

The County had depreciation expense of approximately \$3,260,000 in fiscal year 2023 and total accumulated depreciation of approximately \$27.7 million at June 30, 2023.

More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

Dickinson County had approximately \$10.2 million of outstanding debt at June 30, 2023, which included approximately \$8.5 million of general obligation bonds and notes, approximately \$292,000 of general obligation capital loan notes, approximately \$157,000 of urban revitalization bonds, approximately \$9,000 in lease agreements and approximately \$1.2 million of drainage warrants compared to total outstanding debt of approximately \$12.8 million at June 30, 2022.

Outstanding Debt of Governmental Activities at Year-End		
(Expressed in Thousands)		
	June 30,	
	2023	2022
General obligation bonds and notes	\$ 8,510	10,420
General obligation capital loan notes	292	336
Urban revitalization bonds	157	217
Lease agreements	9	13
Drainage warrants	1,184	1,809
Total	\$ 10,152	12,795

Debt decreased approximately \$2,643,000, primarily as a result of the repayment of the County's general obligation bonds.

The County continues to carry a general obligation bond rating of Aa2 (Moody's) assigned by national rating agencies to the County's debt since 1998. The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. Dickinson County's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$288,211,000. Additional information about the County's long-term debt is presented in Note 9 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Dickinson County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2024 budget, tax rates and fees charged for various County activities. One of those factors is the economy. Unemployment in the County now stands at 2.4% versus 2.1% a year ago. This compares with the State's unemployment rate of 2.7% and the national rate of 3.6%.

The County's total cash basis fund balance is expected to decrease by the close of fiscal year 2024 from the fiscal year 2023 actual balance of approximately \$21.1 million to approximately \$13.0 million.

The budget was influenced by the following factors: 1) the budget reflects an increase in employee pay as well as ongoing increases in health insurance, fuel costs, utilities and workers compensation insurance, 2) it reflects ongoing expenses continuing to increase and replace the one-time expenses in each budget year, 3) it reflects the efforts of departments to reduce department budgets, where possible, in order to keep the tax asking as low as possible, 4) it reflects a serious concern for the economic effects on fiscal year 2023 and thereafter, and 5) it reflects an increase in expenditures for capital projects.

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

These factors were considerations for the fiscal year 2024 budget, which certified property tax as follows: (Amount certified includes utility replacement and property tax dollars.)

	2024 Dollars Certified	2023 Dollars Certified	Percentage Change
General basic levy	\$ 11,274,112	7,842,840	43.8%
Rural services levy	2,391,513	3,135,183	-23.7%
Debt service levy	-	835,747	-100.0%
Total	\$ 13,665,625	11,813,770	15.7%

Levy rates (expressed per \$1,000 of taxable valuation) to produce the above dollars for fiscal year 2024 and fiscal year 2023 are as follows:

	2024	2023	Percentage Change
General basic levy	3.50000	2.45135	42.8%
Rural services levy	1.84000	2.44000	-24.6%
Debt service levy	-	0.24434	-100.0%
Total	5.34000	5.13569	4.0%

Budgeted receipts in the fiscal year 2024 operating budget are approximately \$2,011,000 more than the fiscal year 2023 actual receipts of approximately \$21.3 million. Budgeted disbursements in the fiscal year 2024 operating budget are approximately \$31.4 million, which is approximately \$7.6 million more than the fiscal year 2023 actual final disbursements of approximately \$23.8 million. Total countywide taxable valuations increased approximately \$22 million, from approximately \$3.20 billion to approximately \$3.22 billion.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

Basic Financial Statements

Exhibit A

Dickinson County
Statement of Net Position
June 30, 2023

	Primary Government	Component Unit
	Governmental Activities	Conservation Foundation
Assets		
Cash, cash equivalents and pooled investments	\$ 21,606,905	706,117
Receivables:		
Property tax:		
Delinquent	4,843	-
Succeeding year	13,483,000	-
Succeeding year tax increment financing	281,000	-
Interest and penalty on property tax	8,733	-
Accounts	5,673	-
Loan to Lakes Regional Hospital	7,390,000	-
Accrued interest	76,700	-
Drainage assessments	996,350	-
Opioid settlement	202,120	-
Lease receivable	562,582	-
Due from other governments	686,611	-
Inventories	715,471	-
Prepaid expenses	78,204	-
Capital assets, not being depreciated	24,392,911	-
Capital assets, net of accumulated depreciation/amortization	54,840,161	-
Total assets	<u>125,331,264</u>	<u>706,117</u>
Deferred Outflows of Resources		
Pension related deferred outflows	<u>815,288</u>	-

Dickinson County
Statement of Net Position
June 30, 2023

	Primary Government	Component Unit
	Governmental Activities	Conservation Foundation
Liabilities		
Accounts payable	797,545	-
Accrued interest payable	213,915	-
Salaries and benefits payable	256,726	-
Due to other governments	63,040	-
Unearned revenues	827,846	-
Long-term liabilities:		
Portion due or payable within one year:		
General obligation bonds/notes	910,000	-
General obligation capital loan notes	45,000	-
Urban revitalization bonds	61,497	-
Drainage warrants	236,866	-
Compensated absences	292,617	-
Lease agreement payable	4,378	-
Total OPEB liability	40,144	-
Portion due or payable after one year:		
General obligation bonds/notes	7,600,000	-
General obligation capital loan notes	247,000	-
Urban revitalization bonds	95,772	-
Drainage warrants	947,482	-
Compensated absences	160,825	-
Lease agreement payable	4,418	-
Net pension liability	1,468,053	-
Total OPEB liability	226,893	-
Total liabilities	14,500,017	-
Deferred Inflows of Resources		
Lease related	562,582	
Unavailable property tax revenue	13,483,000	-
Unavailable tax increment financing revenue	281,000	-
Pension related deferred inflows	467,057	-
Total deferred inflows of resources	14,793,639	-
Net Position		
Net investment in capital assets	77,812,276	-
Restricted for:		
Rural services purposes	2,260,540	-
Secondary roads purposes	6,935,747	-
Trail purposes	2,187,416	-
Conservation purposes	611,308	706,117
Debt service	199,909	-
Opioid abatement	257,075	-
Other purposes	507,121	-
Unrestricted	6,081,504	-
Total net position	\$ 96,852,896	706,117

See notes to financial statements.

Dickinson County

Dickinson County
Statement of Activities
Year ended June 30, 2023

	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Primary Government Governmental Activities	Component Unit Conservation Foundation
Functions/Programs:						
Primary Government:						
Governmental activities:						
Public safety and legal services	\$ 2,574,735	286,629	-	-	(2,288,106)	
Physical health and social services	529,619	3,600	488,415	-	(37,604)	
County environment and education	2,940,192	694,516	170,174	772,734	(1,302,768)	
Roads and transportation	7,123,878	360,877	3,263,454	596,956	(2,902,591)	
Governmental services to residents	902,450	610,255	-	-	(292,195)	
Administration	4,473,179	70,116	163,920	-	(4,239,143)	
Non-program	415,546	38,946	-	-	(376,600)	
Interest on long-term debt	280,403	-	137,100	-	(143,303)	
Total primary government	<u>\$ 19,240,002</u>	<u>2,064,939</u>	<u>4,223,063</u>	<u>1,369,690</u>	<u>(11,582,310)</u>	
Component Unit:						
Dickinson County Conservation Foundation	<u>\$ 411,543</u>	<u>-</u>	<u>110,596</u>	<u>308,923</u>		<u>7,976</u>
General Revenues:						
Property and other county tax levied for:						
General purposes					10,717,974	-
Debt service					812,021	-
Tax increment financing					262,829	-
Penalty and interest on property tax					98,301	-
State tax credits and replacements					474,760	-
Local option sales tax					1,734,223	-
Hotel/motel tax					295,148	-
American Rescue Plan Act					2,574,318	-
Unrestricted investment earnings					252,067	48,534
Gain on disposition of capital assets					19,384	-
Miscellaneous					23,926	-
Total general revenues					<u>17,264,951</u>	<u>48,534</u>
Change in net position					5,682,641	56,510
Net position beginning of year, as restated					<u>91,170,255</u>	<u>649,607</u>
Net position end of year					<u>\$ 96,852,896</u>	<u>706,117</u>

See notes to financial statements.

Dickinson County
Balance Sheet
Governmental Funds

June 30, 2023

	Special			
	General	Rural Services	Secondary Roads	Drainage Districts
Assets				
Cash, cash equivalents and pooled investments	\$ 8,405,564	2,128,836	6,596,783	190,087
Receivables:				
Property tax:				
Delinquent	2,791	1,773	-	-
Succeeding year	11,126,000	2,357,000	-	-
Succeeding year tax increment financing	-	-	-	-
Interest and penalty on property tax	8,733	-	-	-
Accounts	2,548	-	2,987	-
Loan to Lakes Regional Hospital	-	-	-	-
Accrued interest	76,700	-	-	-
Drainage assessments	-	-	-	996,350
Opioid settlement	-	-	-	-
Lease receivable	515,249	-	47,333	-
Advances to other funds	40,058	-	-	-
Due from other governments	207,888	144,649	317,839	-
Inventories	-	-	715,471	-
Prepaid expenditures	78,204	-	-	-
Total assets	\$ 20,463,735	4,632,258	7,680,413	1,186,437
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 142,288	6,314	444,630	1,608
Salaries and benefits payable	176,805	6,846	73,075	-
Due to other governments	32,050	-	30,262	-
Advances from other funds	-	-	-	-
Unearned revenues	827,846	-	-	-
Total liabilities	1,178,989	13,160	547,967	1,608
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	11,126,000	2,357,000	-	-
Succeeding year tax increment financing	-	-	-	-
Other	106,792	1,773	1,499	996,350
Lease related	515,249	-	47,333	-
Total deferred inflows of resources	11,748,041	2,358,773	48,832	996,350
Fund balances:				
Nonspendable:				
Inventories	-	-	715,471	-
Advances to other funds	40,058	-	-	-
Prepaid expenditures	78,204	-	-	-
Restricted for:				
Rural services purposes	-	2,260,325	-	-
Secondary roads purposes	-	-	6,368,143	-
Conservation purposes	611,308	-	-	-
Trails purposes	-	-	-	-
Debt service	-	-	-	-
Opioid abatement	-	-	-	-
Other purposes	-	-	-	188,479
Assigned for:				
Buildings and grounds	1,006,782	-	-	-
Revolving loans	122,886	-	-	-
Unassigned	5,677,467	-	-	-
Total fund balances	7,536,705	2,260,325	7,083,614	188,479
Total liabilities, deferred inflows of resources and fund balances	\$ 20,463,735	4,632,258	7,680,413	1,186,437

See notes to financial statements.

Revenue				
Dickinson County Trails	TIF and Urban Renewal	Debt Service	Nonmajor	Total
2,323,321	224,374	25,014	951,643	20,845,622
-	-	279	-	4,843
-	-	-	-	13,483,000
-	281,000	-	-	281,000
-	-	-	-	8,733
-	-	-	138	5,673
-	-	7,390,000	-	7,390,000
-	-	-	-	76,700
-	-	-	-	996,350
-	-	-	202,120	202,120
-	-	-	-	562,582
-	-	-	-	40,058
11,088	5,147	-	-	686,611
-	-	-	-	715,471
-	-	-	-	78,204
<u>2,334,409</u>	<u>510,521</u>	<u>7,415,293</u>	<u>1,153,901</u>	<u>45,376,967</u>
146,993	-	-	33,121	774,954
-	-	-	-	256,726
-	-	-	728	63,040
-	40,058	-	-	40,058
-	-	-	-	827,846
<u>146,993</u>	<u>40,058</u>	<u>-</u>	<u>33,849</u>	<u>1,962,624</u>
-	-	-	-	13,483,000
-	281,000	-	-	281,000
-	-	279	192,761	1,299,454
-	-	-	-	562,582
<u>-</u>	<u>281,000</u>	<u>279</u>	<u>192,761</u>	<u>15,626,036</u>
-	-	-	-	715,471
-	-	-	-	40,058
-	-	-	-	78,204
-	-	-	-	2,260,325
-	-	-	-	6,368,143
-	-	-	-	611,308
2,187,416	-	-	-	2,187,416
-	189,463	7,415,014	-	7,604,477
-	-	-	64,314	64,314
-	-	-	862,977	1,051,456
-	-	-	-	1,006,782
-	-	-	-	122,886
-	-	-	-	5,677,467
<u>2,187,416</u>	<u>189,463</u>	<u>7,415,014</u>	<u>927,291</u>	<u>27,788,307</u>
<u>2,334,409</u>	<u>510,521</u>	<u>7,415,293</u>	<u>1,153,901</u>	<u>45,376,967</u>

Dickinson County

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

June 30, 2023

Total governmental fund balances (page 23) \$ 27,788,307

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$106,930,377 and the accumulated depreciation/amortization is \$27,697,305. 79,233,072

Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds. 1,299,454

The Internal Service Fund is used by management to charge the costs of partial self-funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position. 738,692

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

Deferred outflows of resources	\$ 815,288	
Deferred inflows of resources	<u>(467,057)</u>	348,231

Long-term liabilities, including lease agreements, general obligation bonds, general obligation capital loan notes, urban renewal revenue notes, drainage warrants, compensated absences, net pension liability, total OPEB liability and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (12,554,860)

Net position of governmental activities (page 19) \$ 96,852,896

See notes to financial statements.

Dickinson County

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

Year ended June 30, 2023

	Special Revenue			
	General	Rural Services	Secondary Roads	Drainage Districts
Revenues:				
Property and other county tax	\$ 7,951,442	3,059,378	-	-
Tax increment financing	-	-	-	-
Local option sales tax	453,345	1,360,039	-	-
Interest and penalty on property tax	94,146	-	-	-
Intergovernmental	3,704,695	122,992	3,268,527	-
Licenses and permits	31,650	-	51,276	-
Charges for service	805,521	-	131	-
Use of money and property	137,696	-	28,447	-
Miscellaneous	169,902	-	283,901	1,254,646
Total revenues	13,348,397	4,542,409	3,632,282	1,254,646
Expenditures:				
Operating:				
Public safety and legal services	3,637,828	7,314	-	-
Physical health and social services	536,931	-	-	-
County environment and education	1,508,760	448,843	-	-
Roads and transportation	-	-	5,695,159	-
Governmental services to residents	940,185	-	-	-
Administration	5,864,060	-	-	-
Non-program	183,478	-	-	169,910
Debt service	-	-	-	773,516
Capital projects	67,263	-	167,370	-
Total expenditures	12,738,505	456,157	5,862,529	943,426
Excess (deficiency) of revenues over (under) expenditures	609,892	4,086,252	(2,230,247)	311,220
Other financing sources (uses):				
Sale of capital assets	-	-	37,000	-
Transfers in	-	-	4,077,660	-
Transfers out	(769,909)	(3,597,751)	-	-
Drainage warrants issued	-	-	-	45,421
Total other financing sources (uses)	(769,909)	(3,597,751)	4,114,660	45,421
Change in fund balances	(160,017)	488,501	1,884,413	356,641
Fund balances beginning of year, as restated	7,696,722	1,771,824	5,199,201	(168,162)
Fund balances end of year	\$ 7,536,705	2,260,325	7,083,614	188,479

See notes to financial statements.

Dickinson County Trails	TIF and Urban Renewal	Debt Service	Nonmajor	Total
-	-	811,930	-	11,822,750
-	262,829	-	-	262,829
-	-	-	-	1,813,384
-	-	-	-	94,146
60,116	12,088	173,334	33,008	7,374,760
-	-	-	-	82,926
-	-	-	151,410	957,062
63,271	1,054	-	618	231,086
700,859	-	-	57,915	2,467,223
824,246	275,971	985,264	242,951	25,106,166
-	-	-	4,086	3,649,228
-	-	-	926	537,857
2,123,495	-	-	696,511	4,777,609
-	-	-	-	5,695,159
-	-	-	-	940,185
-	-	-	-	5,864,060
-	-	-	-	353,388
-	65,786	2,133,418	-	2,972,720
-	-	-	-	234,633
2,123,495	65,786	2,133,418	701,523	25,024,839
(1,299,249)	210,185	(1,148,154)	(458,572)	81,327
-	-	-	-	37,000
150,000	-	248,130	115,000	4,590,790
-	(223,130)	-	-	(4,590,790)
-	-	-	-	45,421
150,000	(223,130)	248,130	115,000	82,421
(1,149,249)	(12,945)	(900,024)	(343,572)	163,748
3,336,665	202,408	8,315,038	1,270,863	27,624,559
2,187,416	189,463	7,415,014	927,291	27,788,307

Dickinson County

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

Year ended June 30, 2023

Change in fund balances - Total governmental funds (page 27) \$ 163,748

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

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

Expenditures for capital assets	\$ 5,824,421	
Capital assets contributed by the Iowa Department of Transportation	596,956	
Depreciation/amortization expense	<u>(3,260,169)</u>	3,161,208

In the Statement of Activities, the gain on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources. (17,616)

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	2,393	
Other	<u>(851,556)</u>	(849,163)

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	(45,421)	
Repaid	<u>2,688,456</u>	2,643,035

The current year County share of IPERS contributions is reported as expenditures in the governmental funds but is reported as deferred outflows of resources in the Statement of Net Position. 569,521

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	(27,926)	
Interest on long-term debt	8,199	
Pension expense	94,434	
OPEB expense	<u>12,260</u>	86,967

The Internal Service Fund is used by management to charge the costs of partial self-funding of the County's employee health insurance benefit plan to individual funds. The change in net position of the Internal Service Fund is reported with governmental activities. (75,059)

Change in net position of governmental activities (page 21) \$ 5,682,641

See notes to financial statements.

Dickinson County
Statement of Net Position
Proprietary Fund

June 30, 2023

	<u>Internal Service - Employee Group Health</u>
Assets	
Cash and cash equivalents	\$ 761,283
Liabilities	
Accounts payable	<u>22,591</u>
Net Position	
Unrestricted	<u>\$ 738,692</u>

See notes to financial statements.

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

Year ended June 30, 2023

		<u>Internal Service - Employee Group Health</u>
Operating revenues:		
Reimbursements from operating funds		\$ 138,437
Reimbursements from others		<u>10,796</u>
Total operating revenues		149,233
Operating expenses:		
Medical claims	\$ 231,938	
Administrative fees	<u>6,237</u>	<u>238,175</u>
Operating loss		(88,942)
Non-operating revenues:		
Interest income		<u>13,883</u>
Net loss		(75,059)
Net position beginning of year		<u>813,751</u>
Net position end of year		<u>\$ 738,692</u>

See notes to financial statements.

Dickinson County
Statement of Cash Flows
Proprietary Fund
Year ended June 30, 2023

	Internal Service - Employee Group Health
Cash flows from operating activities:	
Cash received from operating fund reimbursements	\$ 138,437
Cash received from others	10,796
Cash paid to suppliers for services	(232,563)
Net cash used by operating activities	(83,330)
Cash flows from investing activities:	
Interest on investments	13,883
Net decrease in cash and cash equivalents	(69,447)
Cash and cash equivalents beginning of year	830,730
Cash and cash equivalents end of year	\$ 761,283
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (88,942)
Adjustment to reconcile operating loss to net cash provided by operating activities:	
Changes in liabilities:	
Accounts payable	5,612
Net cash used by operating activities	\$ (83,330)

See notes to financial statements.

Dickinson County
Statement of Fiduciary Net Position
Custodial Funds

June 30, 2023

Assets

Cash, cash equivalents and pooled investments:	
County Treasurer	\$ 2,102,656
Other County officials	242,715
Receivables:	
Property tax:	
Delinquent	26,927
Succeeding year	57,737,000
Accounts	8,181
Special assessments	18,342
Drainage assessments	38,346
Due from other governments	65,455
Prepaid insurance	6,923
	<hr/>
Total assets	60,246,545

Liabilities

Accounts payable	10,892
Salaries and benefits payable	15,756
Due to other governments	1,373,492
Trusts payable	74,096
Compensated absences	48,086
	<hr/>
Total liabilities	1,522,322

Deferred Inflows of Resources

Unavailable property tax revenue	57,737,000
	<hr/>

Net position

Restricted for individuals, organizations and other governments	\$ 987,223
	<hr/>

See notes to financial statements.

Dickinson County
 Statement of Changes in Fiduciary Net Position
 Custodial Funds

June 30, 2023

Additions:	
Property and other county tax	\$ 56,299,584
911 surcharge	205,693
State tax credits	2,353,932
Office fees and collections	1,467,322
Auto licenses, drivers' licenses, use tax and postage	8,756,968
Assessments	16,920
Trusts	377,020
Miscellaneous	<u>381,864</u>
Total additions	<u>69,859,303</u>
Deductions:	
Agency remittances:	
To other funds	954,924
To other governments	68,376,157
Trusts paid out	<u>364,058</u>
Total deductions	<u>69,695,139</u>
Change in net position	164,164
Net position beginning of year	<u>823,059</u>
Net position end of year	<u>\$ 987,223</u>

See notes to financial statements.

Dickinson County

Notes to Financial Statements

June 30, 2023

(1) Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

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

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

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

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

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

B. Basis of Presentation

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

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

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

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

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

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

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

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

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

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

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

Additionally, the County reports the following funds:

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Capital Assets – Capital assets, which include property, furniture and equipment and intangibles acquired after July 1, 1980 are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed under "Leases" below) if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

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

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

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

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

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

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

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

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

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

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

County as Lessor – Dickinson County is a lessor for three noncancellable leases of farmland and golf course. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

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

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

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

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

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

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension 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 government-wide and governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the County has not made a qualifying expenditure. Unearned revenue consists of unspent American Rescue Plan Act proceeds.

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and compensatory time for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in the governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 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, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability attributed to governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services and Secondary Roads Funds.

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

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

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

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

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

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

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

Unassigned – All amounts not included in the preceding classifications.

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

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2023, disbursements exceeded the amount budgeted in the administration function prior to the budget amendment and disbursements in one department exceeded the amounts appropriated prior to budget amendment and one department exceeded the amount appropriated 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 the following investments:

Investment	Fair Value	Maturity
Federal Home Loan Bank (FHLB)	\$ 486,768	July 2025
Federal Home Loan Bank (FHLB)	269,349	May 2026
Federal Home Loan Bank (FHLB)	1,157,130	September 2026
Federal Home Loan Bank (FHLB)	356,582	October 2026
Federal Home Loan Bank (FHLB)	537,830	November 2026
Federal Home Loan Bank (FHLB)	545,200	February 2027
Federal Home Loan Bank (FHLB)	561,918	March 2027
Federal Home Loan Bank (FHLB)	249,317	April 2027
Federal Home Loan Bank (FHLB)	591,198	October 2027
Total	\$ 4,755,292	

At June 30, 2023, the Conservation Foundation, a discretely presented component unit, had the following investments:

Investment	Fair Value	Maturity
Mutual funds	\$ 519,359	N/A

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

The recurring fair value measurements for the mutual funds of \$519,359 were determined using the last reported sales price at current exchange rates. (Level 1 inputs).

The recurring fair value measurements for the FHLB securities of \$4,755,292 were determined using the last reported sales price (Level 2 inputs).

In addition, the County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of \$3,974,232. There were no limitations or restrictions on withdrawals for the IPAIT investments. The County's investment in IPAIT is unrated.

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

Credit risk – The FHLB investments at June 30, 2023 are rated AAA by Moody's Investors Service and AA+ by Standard & Poor's Financial Service.

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

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

(3) Advances To and From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Special Revenue: TIF and Urban Renewal	<u>\$ 40,058</u>

During fiscal year 2020, the County approved an interfund loan from the General Fund to the Special Revenue, TIF and Urban Renewal Fund not to exceed \$75,000. The interfund loan was made to make the necessary debt service payments on the urban revitalization bond. During the year ended June 30, 2023, the County advanced \$11,358.

(4) Interfund Transfers

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

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Special Revenue: Secondary Roads	General	\$ 479,909
	Special Revenue: Rural Services	<u>3,597,751</u>
		<u>4,077,660</u>
Dickinson County Trails	General	<u>150,000</u>
Trails Maintenance	General	<u>115,000</u>
Debt Service	General	25,000
	Special Revenue: TIF and Urban Renewal	<u>223,130</u>
		<u>248,130</u>
Total		<u>\$ 4,590,790</u>

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

(5) Capital Assets

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 9,459,809	-	-	9,459,809
Intangibles, road network	529,900	-	-	529,900
Construction in progress, road network	2,983,474	785,709	-	3,769,183
Construction in progress	7,003,239	5,151,508	(1,520,728)	10,634,019
Total capital assets not being depreciated/amortized	19,976,422	5,937,217	(1,520,728)	24,392,911
Capital assets being depreciated/amortized:				
Buildings	22,550,303	-	-	22,550,303
Improvements other than buildings	455,480	10,212	-	465,692
Equipment and vehicles	13,035,878	430,760	(476,409)	12,990,229
Right-to-use leased equipment	17,473	-	-	17,473
Intangibles, other	30,533	59,988	-	90,521
Infrastructure, road network	31,942,417	-	-	31,942,417
Infrastructure, other	12,960,103	1,520,728	-	14,480,831
Total capital assets being depreciated/amortized	80,992,187	2,021,688	(476,409)	82,537,466
Less accumulated depreciation/amortized for:				
Buildings	4,992,529	456,356	-	5,448,885
Improvements other than buildings	61,720	25,055	-	86,775
Equipment and vehicles	5,628,276	831,242	(441,993)	6,017,525
Right-to-use leased equipment	4,032	4,032	-	8,064
Intangibles, other	3,053	9,052	-	12,105
Infrastructure, road network	11,050,221	1,332,193	-	12,382,414
Infrastructure, other	3,139,298	602,239	-	3,741,537
Total accumulated depreciation/amortized	24,879,129	3,260,169	(441,993)	27,697,305
Total capital assets being depreciated/amortized, net	56,113,058	(1,238,481)	(34,416)	54,840,161
Governmental activities capital assets, net	\$ 76,089,480	4,698,736	(1,555,144)	79,233,072

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 115,442
Physical health and social services	512
County environment and education	679,190
Roads and transportation	2,037,727
Governmental services to residents	16,519
Administration	410,779
Total depreciation/amortization expense - governmental activities	<u>\$ 3,260,169</u>

(6) County Farm Lease Receivable

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

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

The County owns the Miner Pit Farm. Effective April 1, 2023 with an initial payment on July 1, 2023, the County entered into a three-year lease with a local farmer whereby the farmer operates the Farm. The County is to receive \$4,890 in land rent annually with an implicit rate of 5.75%.

Year Ending June 30,	Leith Pit Amount	Morfit Amount	Miner Pit Amount	Total
2024	\$ 6,650	11,025	4,890	22,565
2025	6,650	11,025	4,890	22,565
2026	-	-	4,890	4,890
Total	13,300	22,050	14,670	50,020
Less interest	(639)	(1,060)	(988)	(2,687)
Present value	\$ 12,661	20,990	13,682	47,333

(7) Lease Receivable

The County owns the Brooks Golf Course. Effective February 12, 2020, with an initial payment on July 15, 2020, the County entered into a 10-year agreement, with one five-year renewal option, with Brooks Management LLC to operate and manage the golf course. The County is to receive \$65,000 annually for the first five years of the agreement and \$50,000 for the remainder of the agreement, with an implicit rate of 3.50%.

Year Ending June 30,	Amount
2024	\$ 65,000
2025	65,000
2026	50,000
2027	50,000
2028	50,000
2029-2033	250,000
2034-2035	100,000
Total	630,000
Less interest	(114,751)
Present value	\$ 515,249

(8) Due to Other Governments

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

Fund	Description	Amount
General	Services	\$ 32,050
Special Revenue:		
Secondary Roads	Services	30,262
Waste Management Reduction	Services	47
Trails Maintenance	Services	401
Opioid Abatement	Services	280
Total for governmental funds		<u>\$ 63,040</u>
Agency:		
County Offices	Collections	\$ 168,619
Agricultural Extension Education		1,408
County Assessor		4
Schools		148,332
Community Colleges		18,538
Corporations		78,700
Townships		3,879
Auto License, Use Tax and Drivers' License		757,939
All other		<u>196,073</u>
Total for agency funds		<u>\$ 1,373,492</u>

(9) Long-Term Liabilities

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

	Lease Agreements	General Obligation Bonds	General Obligation Capital Loan Notes - Direct Borrowing	Urban Renewal Revenue Notes - Direct Borrowing	Drainage Warrants - Direct Borrowing
Balance beginning of year, restated	\$ 13,134	10,420,000	336,000	216,950	1,809,364
Increases	-	-	-	-	45,421
Decreases	4,338	1,910,000	44,000	59,681	670,437
Balance end of year	<u>\$ 8,796</u>	<u>8,510,000</u>	<u>292,000</u>	<u>157,269</u>	<u>1,184,348</u>
Due within one year	<u>\$ 4,378</u>	<u>910,000</u>	<u>45,000</u>	<u>61,497</u>	<u>236,866</u>

	Compensated Absences	Total OPEB Liability	Net Pension Liability/ (Asset)	Total
Balance beginning of year, restated	425,516	279,297	(1,321,505)	12,178,756
Increases	412,063	27,884	2,789,558	3,274,926
Decreases	384,137	40,144	-	3,112,737
Balance end of year	<u>453,442</u>	<u>267,037</u>	<u>1,468,053</u>	<u>12,340,945</u>
Due within one year	<u>292,617</u>	<u>40,144</u>	<u>-</u>	<u>1,590,502</u>

General Obligation Bonds

A summary of the County's June 30, 2023 general obligation indebtedness is as follows:

Year Ending June 30,	East Okoboji Beach Urban Renewal Refunding Bonds Issued Oct 11, 2016			Hospital Refunding Bonds Issued Sep 22, 2020		
	Interest			Interest		
	Rates	Principal	Interest	Rates	Principal	Interest
2024	1.50%	\$ 150,000	20,500	2.00%	\$ 760,000	122,200
2025	1.75	150,000	18,250	2.00	775,000	107,000
2026	1.75	150,000	15,626	2.00	800,000	91,500
2027	1.75	160,000	13,000	2.00	810,000	75,500
2028	2.00	160,000	10,200	2.00	825,000	59,300
2029-2032	2.00	350,000	10,500	1.10-2.00	3,420,000	111,900
Total		\$ 1,120,000	88,076		\$ 7,390,000	567,400

Year Ending June 30,	Totals		
	Principal	Interest	Total
2024	\$ 910,000	142,700	1,052,700
2025	925,000	125,250	1,050,250
2026	950,000	107,126	1,057,126
2027	970,000	88,500	1,058,500
2028	985,000	69,500	1,054,500
2029-2032	3,770,000	122,400	3,892,400
Total	\$ 8,510,000	655,476	9,165,476

General Obligation Refunding Bonds

On October 11, 2016, the County issued \$2,405,000 of general obligation refunding bonds, series 2016A, with interest rates ranging from 1.50% to 2.00% per annum. The bonds were issued to refund the \$2,280,000 outstanding balance of general obligation bonds issued May 1, 2009. During the year ended June 30, 2023, the County paid principal of \$150,000 and interest of \$22,750 on the bonds.

On October 11, 2016, the County issued \$5,170,000 of general obligation refunding capital loan notes for a crossover advance refunding of \$5,085,000 of general obligation capital loan notes dated April 1, 2009. The notes bear interest at rates ranging from 1.15% to 1.25% per annum and matured on May 1, 2023. During the year ended June 30, 2023, the County paid the remaining principal of \$1,015,000 and interest of \$12,688 on the bonds.

On September 22, 2020, the County issued \$9,650,000 of general obligation refunding bonds with interest rates ranging from 1.10% to 2.00% per annum. The County used the proceeds, premium and \$214,352 from the County Hospital to currently refund the outstanding balance of \$10,000,000 of the 2012 hospital urban renewal bonds and pay the issuance cost of the new debt. During the year ended June 30, 2023, the County paid principal of \$745,000 and interest of \$137,100 on the bonds.

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

General Obligation Capital Loan Notes – Direct Borrowing

On May 6, 2009, the County entered into a general obligation capital loan note agreement with the Iowa Finance Authority for up to \$929,000 to pay for expenditures incurred in conjunction with one or more urban renewal projects in the East Okoboji Beach Urban Renewal Area. Projects include the construction of roads, water, sewer and storm sewer improvements. The total amount drawn was \$829,749. The capital loan notes bear interest at 1.75% per annum with final maturity on June 1, 2029. The first payment on the capital loan notes was due May 1, 2010. During the year ended June 30, 2023, the County paid principal and interest of \$44,000 and \$5,880, respectively, on the 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,	General Obligation Capital Loan Notes East Okoboji Beach Urban Renewal Area Issued May 6, 2009			
	Interest Rates	Principal	Interest	
	2024	1.75%	\$ 45,000	5,110
2025	1.75	47,000	4,323	
2026	1.75	48,000	3,500	
2027	1.75	49,000	2,660	
2028	1.75	51,000	1,803	
2029	1.75	52,000	910	
Total		\$ 292,000	18,306	

Urban Renewal Revenue Notes – Direct Borrowing

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

On August 28, 2012, the Board of Supervisors approved an amendment to the loan agreement providing for the reissuance of \$630,000 of urban renewal revenue notes plus \$91,793 of delinquent principal, as well as amending the repayment schedule and interest rate. Principal and interest remaining on the notes of \$164,464 is payable through December 2025. For the current year, principal and interest paid on the urban renewal revenue notes were \$59,681 and \$6,105, respectively.

A summary of the County's June 30, 2023 urban renewal revenue notes indebtedness is as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2024	3.02%	\$ 61,497	4,289	65,786
2025	3.02	63,368	2,417	65,785
2026	3.02	32,404	489	32,893
Total		<u>\$ 157,269</u>	<u>7,195</u>	<u>164,464</u>

Drainage Warrants – Direct Borrowing

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

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

Lease Agreements

On June 22, 2020, the County entered into a lease agreement for a postage machine. An initial lease liability was recorded in the amount of \$17,473. The agreement requires quarterly payments of \$1,111 over 5 years with an initial payment made August 11, 2020 with an implicit interest rate of 2.75% and final payment due May 11, 2025. During the year ended June 30, 2023, principal and interest paid were \$4,338 and \$106, respectively.

Year Ending June 30,	Courthouse Postage Machine		
	Principal	Interest	Total
2024	\$ 4,378	66	4,444
2025	4,418	26	4,444
Total	<u>\$ 8,796</u>	<u>92</u>	<u>8,888</u>

(10) Lakes Regional Hospital Loan Receivable

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

(11) Pension Plan

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

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

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

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

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

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

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

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

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

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

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

In fiscal year 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 \$569,521.

Net Pension Liability, Pension Expense (Reduction), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the County reported a liability of \$1,468,053 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 0.038856%, which was a decrease of 0.343937% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension expense (reduction) of \$(94,434). 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	\$ 210,464	28,562
Changes of assumptions	1,683	96,162
Net difference between projected and actual earnings on IPERS' investments	-	281,886
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	33,620	60,447
County contributions subsequent to the measurement date	569,521	-
Total	\$ 815,288	467,057

\$569,521 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ending June 30, 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	\$ (261,453)
2025	(202,742)
2026	(374,381)
2027	620,099
2028	(2,813)
Total	<u>\$ (221,290)</u>

There were no non-employer contributing entities to IPERS.

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

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

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

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 3,867,062	1,468,053	(642,526)

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.

(12) Other Postemployment Benefits (OPEB)

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

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

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

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	<u>94</u>
Total	<u>96</u>

Total OPEB Liability – The County’s total OPEB liability of \$267,037 was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023.

Actuarial Assumptions – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and the alternative measurement method permitted under GASB Statement No. 75, a simplified version of the entry age normal actuarial cost method, applied to all periods included in the measurement.

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

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

Mortality rates are from the 2020 United State Life Tables.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 279,297
Changes for the year:	
Service cost	18,068
Interest	9,816
Benefit payments	<u>(40,144)</u>
Net changes	<u>(12,260)</u>
Total OPEB liability end of year	<u>\$ 267,037</u>

There were no changes of assumptions as the discount rate of 3.54% remained unchanged from the prior year.

Sensitivity of the County’s Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.54%) or 1% higher (4.54%) than the current discount rate.

	<u>1% Decrease (2.54%)</u>	<u>Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
Total OPEB liability	\$ 282,746	267,037	251,384

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

	<u>1% Decrease (4.00%)</u>	<u>Healthcare Cost Trend Rate (5.00%)</u>	<u>1% Increase (6.00%)</u>
Total OPEB liability	\$ 244,036	267,037	294,068

OPEB Expense (Reduction) – For the year ended June 30, 2023, the County recognized OPEB expense (reduction) of \$(12,260). The County did not report deferred outflows of resources related to OPEB as the alternative measurement method was used which immediately recognizes changes of assumptions and the difference between expected and actual experience with regard to economic and demographic factors in OPEB expense.

(13) Revolving Loan Account

The Revolving Economic Development Account was established within the General Fund to promote economic development in the County through grants and loans. Upon receipt of loan payments from the businesses, the funds remain in the Revolving Economic Development Account for subsequent loans to other businesses. There are no outstanding loans at June 30, 2023.

(14) Risk Management

The County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 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 \$387,161.

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

(15) Public Health

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

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

(16) Employee Health Insurance Plan

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

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Secure Benefits Systems from the Employee Group Health Fund. The County's contribution to the fund for the year ended June 30, 2023 was \$138,437.

The amounts payable from the Employee Group Health Fund at June 30, 2023 for incurred but not reported (IBNR) and reported but not paid claims has not been determined since the County was not required to obtain an actuarial opinion.

(17) 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 Nationwide and do not constitute a liability of the County.

(18) Tax Abatements

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

Tax Abatements of Other Entities

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

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

Entity	Tax Abatement Program	Amount of Tax Abated
City of Lake Park	Urban renewal and economic development projects	\$ 3,509
City of Milford	Urban renewal and economic development projects	19,826
City of Spirit Lake	Urban renewal and economic development projects	16,225
City of Terril	Urban renewal and economic development projects	6,963

(19) Jointly Governed Organization

The County participates in the Dickinson County Water Quality Commission, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa. Financial transactions of this organization are included in the County’s financial statements as part of the Other Custodial Funds because of the County’s fiduciary relationship with the organization. The following financial data is for the year ended June 30, 2023:

Additions:

Contributions from governmental units:

Dickinson County	\$	42,000	
Iowa Department of Natural Resources		1,714	
City of Spirit Lake		14,000	
City of Okoboji		11,500	
City of Wahpeton		8,000	
City of Arnolds Park		7,400	
City of Milford		6,500	
City of West Okoboji		3,800	
City of Orleans		3,300	
City of Lake Park		2,100	
City of Superior		700	
City of Terril		500	\$ 101,514
Interest on investments			1,117
Total additions			102,631

Deductions:

Dickinson County Soil and Water Conservation District	30,000	
University of Iowa	25,000	
Lakewood Park Association	2,991	
Silver Lake Park Improvement Association	1,714	
Miscellaneous	154	59,859
Net		42,772
Balance beginning of year		266,087
Balance end of year		\$ 308,859

(20) Development Agreements

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

Dickinson County/Spirit Lake Urban Renewal Area – In July 2005, the County entered into a private development agreement for an urban renewal project with the City of Spirit Lake and two private developers. The agreement provided the County would make a forgivable loan of \$700,000 to the developers in exchange for the construction of certain minimum improvements located within the County’s TIF district. Urban revitalization bonds totaling \$790,000 were sold during the year ended June 30, 2006 and \$700,000 was forwarded to the developers. In addition, the County agreed to purchase a parcel of real estate for \$350,000 from the developers. The parcel was purchased during the year ended June 30, 2006. The loans are to be amortized and forgiven in annual amounts provided the developers comply with all requirements stipulated within the agreements. During the year ended June 30, 2023, \$65,786 was provided for debt service on the urban revitalization bonds. Property tax levied for fiscal year 2024 totals \$49,000.

West Sioux Estates Urban Renewal Area – In September 2005, the County entered into an agreement with the City of Milford to establish an urban renewal area. The project involves roadway improvements of approximately 2,800 linear feet on 193rd Avenue. The County’s primary objective in this urban renewal area is to promote new residential development. The cost of paving, including engineering, is estimated to be between \$400,000 and \$500,000. The County is going to use TIF revenue to support this residential development. Under the plan, 37% of the TIF revenue generated by the project must be used to provide assistance to low-and-moderate-income (LMI) families. As a result, the amount set aside for LMI housing projects would range between \$148,000 and \$185,000. The amount of LMI funds held by the County for this project at June 30, 2023 in the Special Revenue, Low and Moderate Income Fund was \$79,135. No property tax has been levied for fiscal year 2024.

Dickinson County/Orleans Urban Renewal Area – In April 2006, the County established an urban renewal area for the purpose of stimulating, through public involvement and commitment, private investment in a new residential development. The project involves roadway, water and sanitary sewer system improvements to support the development of 64 new single-family residential lots. The County is using tax increment financing to support this residential development, which has an estimated total cost of \$1,230,000, including low-and-moderate-income (LMI) funds which are to be set aside. In addition, general obligation bonds totaling \$700,000 were sold during the year ended June 30, 2009 for additional construction costs. For this urban renewal area, 37% of the TIF revenues generated by the project must be used to provide assistance to LMI families. The amount of LMI funds held by the County for this project at June 30, 2023 in the Special Revenue, Low and Moderate Income Fund was \$131,619. The estimated costs will be the City’s cost of \$30,000 for installing water main extensions, roadway improvements by the County of \$580,000 and water and sewer system improvements of approximately \$620,000. No property tax has been levied for fiscal year 2024.

(21) Restatement

At June 30, 2022, material amounts of deferred inflows for the Special Revenue, Opioid Abatement Fund were not recorded.

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

	Governmental Activities	Special Revenue, Opioid Abatement Fund
Net position/fund balance June 30, 2022, as previously reported	\$ 91,417,460	256,083
Opioid abatement deferred inflows	(247,205)	(247,205)
Net position/fund balance July 1, 2022, as restated	<u>\$ 91,170,255</u>	<u>8,878</u>

Required Supplementary Information

Dickinson County

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

Required Supplementary Information

Year ended June 30, 2023

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	\$ 13,827,001	-	13,827,001
Interest and penalty on property tax	94,146	-	94,146
Intergovernmental	4,749,825	-	4,749,825
Licenses and permits	99,958	-	99,958
Charges for service	989,546	-	989,546
Use of money and property	371,592	-	371,592
Miscellaneous	2,460,596	1,254,646	1,205,950
Total receipts	<u>22,592,664</u>	<u>1,254,646</u>	<u>21,338,018</u>
Disbursements:			
Public safety and legal services	3,629,448	-	3,629,448
Physical health and social services	538,713	-	538,713
County environment and education	4,890,783	-	4,890,783
Roads and transportation	6,169,986	-	6,169,986
Governmental services to residents	920,688	-	920,688
Administration	5,895,315	-	5,895,315
Non-program	443,138	258,856	184,282
Debt service	2,090,620	773,516	1,317,104
Capital projects	271,830	-	271,830
Total disbursements	<u>24,850,521</u>	<u>1,032,372</u>	<u>23,818,149</u>
Excess (deficiency) of receipts over (under) disbursements	(2,257,857)	222,274	(2,480,131)
Other financing sources, net	82,421	45,421	37,000
Changes in balances	(2,175,436)	267,695	(2,443,131)
Balance beginning of year	23,415,766	(77,608)	23,493,374
Balance end of year	<u>\$ 21,240,330</u>	<u>190,087</u>	<u>21,050,243</u>

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Net
		Variance
13,827,535	13,827,535	(534)
35,000	35,000	59,146
8,799,005	9,052,540	(4,302,715)
70,500	70,500	29,458
903,430	903,430	86,116
128,319	218,319	153,273
360,950	375,950	830,000
24,124,739	24,483,274	(3,145,256)
3,317,559	4,373,559	744,111
658,597	664,933	126,220
8,257,784	8,486,456	3,595,673
6,244,910	6,244,910	74,924
1,045,316	1,045,316	124,628
4,801,387	6,474,786	579,471
231,300	311,300	127,018
1,318,106	1,318,106	1,002
3,070,755	3,070,755	2,798,925
28,945,714	31,990,121	8,171,972
(4,820,975)	(7,506,847)	5,026,716
500	30,500	6,500
(4,820,475)	(7,476,347)	5,033,216
17,454,295	17,454,295	6,039,079
12,633,820	9,977,948	11,072,295

Dickinson County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation
Required Supplementary Information

Year ended June 30, 2023

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 22,592,664	2,513,502	25,106,166
Expenditures	24,850,521	174,318	25,024,839
Net	(2,257,857)	2,339,184	81,327
Other financing sources, net	82,421	-	82,421
Beginning fund balances, as restated	23,415,766	4,208,793	27,624,559
Ending fund balances	<u>\$ 21,240,330</u>	<u>6,547,977</u>	<u>27,788,307</u>
Unrealized loss on investments*	<u>(394,708)</u>		
Cash, cash equivalents and pooled investments	<u>\$ 20,845,622</u>		

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

See accompanying independent auditor's report.

Dickinson County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2023

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

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

Formal and legal budgetary control is based upon 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 and the Debt Service Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, one budget amendment increased budgeted disbursements by \$3,044,407. The budget amendments are reflected in the final budgeted amounts.

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

During the year ended June 30, 2023, disbursements did not exceed the amounts budgeted. However, disbursements exceeded the amount budgeted in the administration function prior to the budget amendment and disbursements in one department exceeded the amount appropriated prior to the budget amendment and one department exceeded the amount appropriated at year end.

Dickinson County

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

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	0.038856%	0.382793% **	0.052896%	0.050011%
County's proportionate share of the net pension liability (asset)	\$ 1,468	(1,322)	3,716	2,896
County's covered payroll	\$ 5,645	5,559	5,403	5,240
County's proportionate share of the net pension liability as a percentage of its covered payroll	26.01%	-23.78%	68.78%	55.27%
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
0.050674%	0.051349%	0.053328%	0.048162%	0.049831%
3,207	3,420	3,356	2,379	1,976
4,937	4,625	4,634	4,301	4,226
64.96%	73.95%	72.42%	55.31%	46.76%
83.62%	82.21%	81.82%	85.19%	87.61%

Dickinson County

Schedule of County Contributions

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

Required Supplementary Information

	2023	2022	2021	2020
Statutorily required contribution	\$ 570	529	525	514
Contributions in relation to the statutorily required contribution	(570)	(529)	(525)	(514)
Contribution deficiency (excess)	\$ -	-	-	-
County's covered payroll	\$ 6,096	5,645	5,559	5,403
Contributions as a percentage of covered payroll	9.35%	9.37%	9.44%	9.51%

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
502	449	422	424	395	386
(502)	(449)	(422)	(424)	(395)	(386)
-	-	-	-	-	-
5,240	4,937	4,625	4,634	4,301	4,226
9.58%	9.09%	9.12%	9.15%	9.18%	9.13%

Dickinson County

Dickinson 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.

Dickinson County

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

For the Last Six Years
Required Supplementary Information

	2023	2022	2021	2020
Service cost	\$ 18,068	21,093	20,479	14,741
Interest cost	9,816	5,168	4,902	8,380
Difference between expected and actual experiences	-	73,776	-	(43,326)
Changes in assumptions	-	(21,825)	-	28,433
Benefit payments	(40,144)	(23,350)	(4,572)	(12,783)
Net change in total OPEB liability	(12,260)	54,862	20,809	(4,555)
Total OPEB liability beginning of year	279,297	224,435	203,626	208,181
Total OPEB liability end of year	\$ 267,037	279,297	224,435	203,626
Covered-employee payroll	\$ 5,531,207	5,370,104	5,204,349	5,052,766
Total OPEB liability as a percentage of covered-employee payroll	4.83%	5.20%	4.31%	4.03%

See accompanying independent auditor's report.

<u>2019</u>	<u>2018</u>
14,312	8,994
8,114	5,974
-	48,842
-	23,432
<u>(19,159)</u>	<u>(12,175)</u>
3,267	75,067
<u>204,914</u>	<u>129,847</u>
<u>208,181</u>	<u>204,914</u>
4,590,957	4,457,240
4.53%	4.60%

Dickinson 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 2022 valuation implemented the following refinements as a result of a new actuarial opinion dated June 30, 2022:

- Changed mortality assumptions to the 2020 United States Life 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	3.54%
Year ended June 30, 2022	3.54%
Year ended June 30, 2021	2.21%
Year ended June 30, 2020	2.21%
Year ended June 30, 2019	3.87%
Year ended June 30, 2018	3.87%
Year ended June 30, 2017	4.50%

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

Supplementary Information

Dickinson County
 Combining Balance Sheet
 Nonmajor Governmental Funds

June 30, 2023

				Special
	County Recorder's Records Management	Sheriff Forfeiture	Resource Enhancement and Protection	Confiscated Property Fees
Assets				
Cash, cash equivalents and pooled investments:	\$ 148,417	5,245	30,888	12,713
Receivables:				
Accounts	-	-	-	-
Opioid settlement	-	-	-	-
Total assets	\$ 148,417	5,245	30,888	12,713
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ -	-	-	1,658
Due to other governments	-	-	-	-
Total liabilities	-	-	-	1,658
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Fund balances:				
Restricted for:				
Opioid abatement	-	-	-	-
Other purposes	148,417	5,245	30,888	11,055
Total fund balance	148,417	5,245	30,888	11,055
Total liabilities, deferred inflows of resources and fund balances	\$ 148,417	5,245	30,888	12,713

See accompanying independent auditor's report.

Revenue							
Low and Moderate Income	Waste Management Reduction	Supplemental Environmental Project	Francis Sites	Trails Maintenance	Opioid Abatement	Total	
210,754	140,754	3	315,631	31,803	55,435	951,643	
-	138	-	-	-	-	138	
-	-	-	-	-	202,120	202,120	
210,754	140,892	3	315,631	31,803	257,555	1,153,901	
-	24,663	-	-	6,600	200	33,121	
-	47	-	-	401	280	728	
-	24,710	-	-	7,001	480	33,849	
-	-	-	-	-	192,761	192,761	
-	-	-	-	-	64,314	64,314	
210,754	116,182	3	315,631	24,802	-	862,977	
210,754	116,182	3	315,631	24,802	64,314	927,291	
210,754	140,892	3	315,631	31,803	257,555	1,153,901	

Dickinson County

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

Year ended June 30, 2023

	County Recorder's Records Management	Sheriff Forfeiture	Resource Enhancement and Protection	Special Confiscated Property Fees
Revenues:				
Intergovernmental	\$ -	-	11,107	-
Charges for service	6,164	-	-	-
Use of money and property	507	18	93	-
Miscellaneous	-	-	-	1,553
Total revenues	<u>6,671</u>	<u>18</u>	<u>11,200</u>	<u>1,553</u>
Expenditures:				
Operating:				
Public safety and legal services	-	-	-	4,086
Physical health and social services	-	-	-	-
County environment and education	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,086</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,671</u>	<u>18</u>	<u>11,200</u>	<u>(2,533)</u>
Other financing sources:				
Transfers in	-	-	-	-
Change in fund balances	6,671	18	11,200	(2,533)
Fund balances beginning of year, as restated	<u>141,746</u>	<u>5,227</u>	<u>19,688</u>	<u>13,588</u>
Fund balances end of year	<u>\$ 148,417</u>	<u>5,245</u>	<u>30,888</u>	<u>11,055</u>

See accompanying independent auditor's report.

Revenue							
Low and Moderate Income	Waste Management Reduction	Supplemental Environmental Project	Francis Sites	Trails Maintenance	Opioid Abatement		Total
-	-	-	-	21,901	-		33,008
-	145,246	-	-	-	-		151,410
-	-	-	-	-	-		618
-	-	-	-	-	56,362		57,915
-	145,246	-	-	21,901	56,362		242,951
-	-	-	-	-	-		4,086
-	-	-	-	-	926		926
240,000	145,045	-	71,428	240,038	-		696,511
240,000	145,045	-	71,428	240,038	926		701,523
(240,000)	201	-	(71,428)	(218,137)	55,436		(458,572)
-	-	-	-	115,000	-		115,000
(240,000)	201	-	(71,428)	(103,137)	55,436		(343,572)
450,754	115,981	3	387,059	127,939	8,878		1,270,863
210,754	116,182	3	315,631	24,802	64,314		927,291

Dickinson County

Combining Schedule of Fiduciary Net Position
Custodial Funds

June 30, 2023

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ -	1,408	357,181	148,332
Other County officials	221,175	-	-	-
Receivables:				
Property tax:				
Delinquent	-	97	226	10,373
Succeeding year	-	273,000	503,000	28,482,000
Accounts	-	-	-	-
Special assessments	-	-	-	-
Drainage assessments	-	-	-	-
Due from other governments	-	-	-	-
Prepaid insurance	-	-	343	-
Total assets	\$ 221,175	274,505	860,750	28,640,705
Liabilities				
Accounts payable	\$ -	-	727	-
Salaries and benefits payable	-	-	12,590	-
Due to other governments	168,619	1,408	4	148,332
Trusts payable	52,556	-	-	-
Compensated absences	-	-	36,549	-
Total liabilities	221,175	1,408	49,870	148,332
Deferred Inflows of Resources				
Unavailable revenues	-	273,000	503,000	28,482,000
Net Position				
Restricted for individuals, organizations and other governments	\$ -	97	307,880	10,373

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License, Use Tax and Drivers' License	Other	Total
18,538	78,700	3,879	757,939	736,679	2,102,656
-	-	-	-	21,540	242,715
1,266	11,258	219	-	3,488	26,927
3,620,000	16,333,000	558,000	-	7,968,000	57,737,000
-	-	-	-	8,181	8,181
-	17,178	-	-	1,164	18,342
-	-	-	-	38,346	38,346
-	-	-	-	65,455	65,455
-	-	-	-	6,580	6,923
3,639,804	16,440,136	562,098	757,939	8,849,433	60,246,545
-	-	-	-	10,165	10,892
-	-	-	-	3,166	15,756
18,538	78,700	3,879	757,939	196,073	1,373,492
-	-	-	-	21,540	74,096
-	-	-	-	11,537	48,086
18,538	78,700	3,879	757,939	242,481	1,522,322
3,620,000	16,333,000	558,000	-	7,968,000	57,737,000
1,266	28,436	219	-	638,952	987,223

Dickinson County

Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds

Year ended June 30, 2023

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets and Liabilities				
Additions:				
Property and other county tax	\$ -	266,534	619,854	27,560,412
911 surcharges	-	-	-	-
State tax credits	-	11,319	25,948	831,358
Office fees and collections	1,466,755	-	-	-
Auto licenses, drivers' licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	309,416	-	-	-
Miscellaneous	-	208	484	21,092
Total additions	1,776,171	278,061	646,286	28,412,862
Deductions:				
Agency remittances:				
To other funds	481,834	-	-	-
To other governments	997,883	278,011	498,847	28,407,639
Trusts paid out	296,454	-	-	-
Total deductions	1,776,171	278,011	498,847	28,407,639
Changes in net position	-	50	147,439	5,223
Net position beginning of year	-	47	160,441	5,150
Net position end of year	\$ -	97	307,880	10,373

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License, Use Tax and Drivers' License	Other	Total
3,510,342	15,978,478	518,536	-	7,845,428	56,299,584
-	-	-	-	205,693	205,693
104,707	1,059,981	25,127	-	295,492	2,353,932
-	-	-	-	567	1,467,322
-	-	-	8,756,968	-	8,756,968
-	11,270	-	-	5,650	16,920
-	-	-	-	67,604	377,020
2,710	-	1,173	-	356,197	381,864
3,617,759	17,049,729	544,836	8,756,968	8,776,631	69,859,303
-	-	-	278,659	194,431	954,924
3,617,069	17,040,105	544,771	8,478,309	8,513,523	68,376,157
-	-	-	-	67,604	364,058
3,617,069	17,040,105	544,771	8,756,968	8,775,558	69,695,139
690	9,624	65	-	1,073	164,164
576	18,812	154	-	637,879	823,059
1,266	28,436	219	-	638,952	987,223

Dickinson County

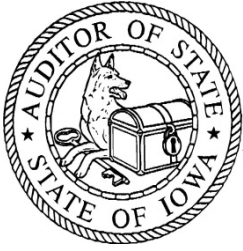
Schedule of Revenues By Source and Expenditures By Function -
All Governmental Funds

For the Last Ten Years

	2023	2022	2021	2020
Revenues:				
Property and other county tax	\$ 11,822,750	11,895,166	11,592,969	10,022,901
Tax increment financing	262,829	264,545	282,005	261,035
Local option sales tax	1,813,384	1,960,157	1,868,521	1,425,319
Interest and penalty on property tax	94,146	96,933	132,890	32,393
Intergovernmental	7,374,760	5,312,143	6,091,603	5,455,607
Licenses and permits	82,926	91,967	73,661	67,583
Charges for service	957,062	1,041,091	1,080,335	966,353
Use of money and property	231,086	(123,155)	272,410	359,998
Miscellaneous	2,467,223	4,175,802	2,468,061	2,802,938
Total	\$ 25,106,166	24,714,649	23,862,455	21,394,127
Expenditures:				
Operating:				
Public safety and legal services	\$ 3,649,228	3,131,909	3,090,257	2,961,532
Physical health and social services	537,857	564,313	537,608	537,060
Mental health	-	539,283	522,397	256,325
County environment and education	4,777,609	4,189,455	5,606,928	4,403,411
Roads and transportation	5,695,159	6,076,755	5,480,931	4,600,883
Governmental services to residents	940,185	891,011	872,261	845,119
Administration	5,864,060	2,694,027	2,627,208	2,281,751
Non-program	353,388	477,689	689,074	801,272
Debt service	2,972,720	2,767,670	2,523,663	2,418,912
Capital projects	234,633	1,345,753	349,284	3,755,587
Total	\$ 25,024,839	22,677,865	22,299,611	22,861,852

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
9,605,294	9,463,844	9,099,276	8,865,585	8,745,388	8,520,932
286,431	601,549	541,217	629,123	601,203	623,530
1,400,900	1,410,783	1,281,417	1,284,840	1,284,712	1,070,286
83,661	73,665	76,083	80,917	70,657	71,953
4,964,229	4,885,702	5,083,104	4,085,560	3,898,652	4,603,348
84,657	103,541	99,746	24,665	27,475	31,398
844,814	805,373	788,311	780,456	831,957	746,058
394,101	377,341	338,272	276,670	254,292	218,678
649,562	1,117,298	962,951	427,438	572,372	968,175
18,313,649	18,839,096	18,270,377	16,455,254	16,286,708	16,854,358
2,884,023	2,757,067	2,676,797	2,500,229	2,469,254	2,309,002
481,245	462,989	445,684	465,906	441,405	488,597
182,713	548,587	410,525	814,722	569,695	458,537
3,015,886	4,370,300	2,844,517	1,958,135	1,981,743	2,654,821
5,402,303	4,618,240	5,026,580	4,679,053	3,417,401	3,610,183
807,890	925,437	791,858	736,362	715,146	711,827
2,522,095	2,268,278	2,262,930	1,960,764	1,904,593	1,962,582
345,919	813,610	545,652	316,688	494,081	336,776
2,362,358	2,611,656	3,119,316	2,695,810	3,042,341	2,666,176
495,092	1,157,283	947,989	983,771	1,414,329	1,879,197
18,499,524	20,533,447	19,071,848	17,111,440	16,449,988	17,077,698



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

To the Officials of Dickinson County:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of Dickinson County, Iowa, as of and for the year ended June 30, 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 13, 2024.

Report on Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of Dickinson County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in of the accompanying Schedule of Findings as items 2023-001 through 2023-003 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 deficiency described in the accompanying Schedule of Findings as item 2023-004 to be a significant deficiency.

Report on Compliance and Other Matters

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

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


Dickinson County's Responses to Findings

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

Purpose of this Report

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

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


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

March 13, 2024

Dickinson County
Schedule of Findings
Year ended June 30, 2023

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

2023-001 Segregation of Duties

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

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

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

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

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

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

Dickinson County
Schedule of Findings
Year ended June 30, 2023

Responses –

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

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

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

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

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

2023-002 Financial Reporting

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

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

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

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

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

Dickinson County
Schedule of Findings
Year ended June 30, 2023

Responses –

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

Engineer – We will increase our efforts to ensure the proper recording of payables are correctly reflected in the financial statements.

Conclusion – Response accepted.

2023-003 Capital Assets

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

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

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

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

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

Response – The County will strive to develop additional checks and balances to ensure that new additions to the asset listing, and/or deletions are properly notated. When in doubt, we will reach out to our external auditors and get assistance as to when certain assets should be “booked” into the county listing. Once again, we will discuss the importance of accurate capital asset listings with all department heads.

Conclusion – Response accepted.

2023-004 Overtime Policy

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

Dickinson County

Schedule of Findings

Year ended June 30, 2023

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

Condition – Non-exempt and exempt employees are receiving compensation time. Nine employees had compensation time balances greater than 64 hours at June 30, 2023 and 19 employees used more than 64 hours of compensation time during the year.

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

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

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

Response – The County is working with an HR/Attorney Firm to revise County policies and handbook. Once the handbook has been returned, a Department Head/Supervisor meeting will be held to address the inconsistencies with the policy language. County Supervisors are now receiving monthly leave reports in efforts to get the inconsistencies corrected.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

Dickinson County

Schedule of Findings

Year ended June 30, 2023

Other Findings Related to Required Statutory Reporting:

2023-A Certified Budget – Disbursements during the year ended June 30, 2023 exceeded the amount budgeted in the administration function prior to the budget amendment and disbursements in one department exceeded the amount appropriated prior to the budget amendment and one department exceeded the amount appropriated 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. Also, Chapter 331.434(6) of the Code of Iowa authorizes the Board of Supervisors by resolution, to increase or decrease appropriations of one office or department by increasing or decreasing the appropriation of another office or department as long as the function budget is not increased. Such increases or decreases should be made before disbursements are allowed to exceed the appropriation.

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

Conclusion – Response accepted.

2023-B Questionable Expenditures – In accordance with Article III, Section 31 of the Iowa Constitution and the 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 requirements of public purpose as defined in an Attorney General’s opinion since the public benefits to be derived have not been clearly documented were noted. These expenditures are detailed as follows:

<u>Paid to</u>	<u>Purpose</u>	<u>Amount</u>
Pizza Ranch	Meals for local police chief meeting	\$ 98
Pizza Ranch	Reimbursement for lunch purchased for Attorney staff meeting	61

According to the opinion, it is possible for certain expenditures to meet the test of serving a public purpose under certain circumstances, although such items will 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 types of expenditures prior to authorizing any further payments. If this practice is continued, the County should establish written policies and procedures, including the requirements for proper public purpose documentation.

Dickinson County
 Schedule of Findings
 Year ended June 30, 2023

Responses –

Emergency Management – The purpose of the meeting was to discuss policies and procedures for our new radio system that we will be implementing. Those in attendance were the local police chiefs, County Sheriff, Dispatch Supervisor and Emergency Management Director.

County Attorney – The expenditure was made for the entire office staff during the time when the office was in great transition. The meeting was to assure staff that everything was going to be okay and the direction we needed to hire new staff. There was a public purpose served by trying to stabilize the staff and the office in general.

Conclusion – Response acknowledged. The County should determine and document the public purpose served by these types of expenditures prior to authorizing any further payments. If this practice is continued, the County should establish written policies and procedures, including the requirements for proper public purpose documentation.

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

Name, Title and Business Connection	Transaction Description	Amount
Brandon Vodraska, Deputy Sheriff, Owner of 911 Installs LLC	Vehicle equipment installs/uninstalls	\$ 2,775

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

2023-E Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. However, the amount of all bonds should be periodically reviewed to ensure the coverage is adequate for current operations.

2023-F Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

2023-G Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County’s investment policy were noted.

2023-H Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

Dickinson County

Schedule of Findings

Year ended June 30, 2023

2023-I Annual Urban Renewal Report – The Annual Urban Renewal Report was approved and certified to the Iowa Department of Management on or before December 1.

2023-J Tax Increment Financing (TIF) – Payments from the Special Revenue, Tax Increment Financing (TIF) Fund properly included only payments for TIF loans and rebates. Also, Dickinson County properly completed the Tax Increment Debt Forms 1, 2 or 3, as appropriate, to certify TIF obligations (debt), to decertify TIF debt or to request a reduced distribution of TIF.

2023-K Tax Increment Financing (TIF) – For the year ended June 30, 2023, the County Auditor did not prepare a reconciliation for each City to reconcile TIF receipts with total outstanding TIF debt.

Recommendation – In accordance with Chapter 403.19(6)(a)(1) of the Code of Iowa, the County Auditor is “to provide for the division of taxes in each subsequent year without further certification... until the amount of the loans, advances, indebtedness, or bonds is paid to the special fund”. To assist in meeting this requirement, the County Auditor should prepare a reconciliation of each City’s TIF receipts and certified TIF debt.

Response – The County Auditor will work to prepare annual reconciliations of tax increment financing for each city in accordance to Chapter 403.19(6)(a)(1).

Conclusion – Response accepted.

2023-L Restricted Donor Activity – No transactions were noted between the County, County officials, County employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

Dickinson County

Staff

This audit was performed by:

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