OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

Rob Sand
Auditor of State

NEWS RELEASE

Contact: Brian Brustkern
FOR RELEASE March 10, 2025 515/281-5834

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

FINANCIAL HIGHLIGHTS:

The County's revenues totaled $72,695,909 for the year ended June 30, 2024, a 44.2% increase over the prior year. Expenses for County operations for the year ended June 30, 2024 totaled $50,344,752, a 17.25% increase over the prior year. The increase in the revenues is due primarily to an increase in Coronavirus State and Local Fiscal Recovery Funds, property tax and capital grants related to secondary roads projects. In addition, revenue increased in unrestricted investment earnings due to interest rate rises. The increase in the expenses is due primarily to Coronavirus State and Local Fiscal Recovery Funds projects.

AUDIT FINDINGS:

Sand reported eight findings related to the receipt and expenditure of taxpayer funds. They are found on pages 101 through 109 of this report. The findings address issues such as lack of segregation of duties for certain departments, material amounts of inventory, receivables, capital assets, deferred inflows of resources and accounts payable not properly recorded in the County's financial statements, disbursements exceeding the budget, and questionable expenditures. Sand provided the County with recommendations to address each of these findings.

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

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

# # #

DALLAS COUNTY

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

JUNE 30, 2024

Dallas County

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

March 6, 2025

Officials of Dallas County
Adel, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for Dallas County for the year ended June 30, 2024. The audit was performed pursuant to Chapter 11.6 of the Code of Iowa and in accordance with U.S. auditing standards and the standards applicable to financial audits contained in Government Auditing Standards.

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

Sincerely,

Rob Sand
Auditor of State

Table of Contents

Table of Contents
(Continued)

Dallas County

Officials

Name	Title	Term Expires
Mark Hanson	Board of Supervisors	Jan 2025
Brad Golightly	Board of Supervisors	Jan 2027
Kim Chapman	Board of Supervisors	Jan 2027
Julia Helm	County Auditor	Jan 2025
Mitchell Hambleton	County Treasurer	(Resigned Oct 2023)
Summer Portzen (Appointed Dec 2023)	County Treasurer	Nov 2024
ReNae Arnold	County Recorder	Jan 2027
Adam Infante (Appointed Sept 2022)	County Sheriff	Nov 2024
Jeannine Ritchie (Appointed Dec 2022)	County Attorney	Nov 2024
Steve C. Helm	County Assessor	Jan 2028

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Rob Sand
Auditor of State

Independent Auditor's Report

To the Officials of Dallas County:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Dallas County, Iowa, as of and for the year ended June 30, 2024, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Dallas County as of June 30, 2024 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Dallas County's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Dallas County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability (Asset), Related Ratios and Notes on pages 8 through 15 and 64 through 76 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dallas County's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2023 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 9, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 6, 2025 on our consideration of Dallas County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Dallas County's internal control over financial reporting and compliance.

Brian R. Brustkern, CPA
Deputy Auditor of State

March 6, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of Dallas County's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2024. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2024 FINANCIAL HIGHLIGHTS

- Revenues of the County's governmental activities increased approximately $22,267,000 from fiscal year 2023 to fiscal year 2024, or 44.2%. Operating grants, contributions and restricted interest increased approximately $832,000, Capital grants, contributions and restricted interest increased approximately $7,272,000 and charges for service increased approximately $1,316,000.

- Program expenses of the County's governmental activities were 17.3%, or approximately $7,407,000, more in fiscal year 2024 than in fiscal year 2023. Roads and transportation function expenses increased approximately $1,027,000, or 8.6%, over fiscal year 2023. Public safety expenses increased approximately $4,364,000, or 26.0%, over fiscal year 2023. Administration expenses increased approximately $942,000, or 24.2%, over fiscal year 2023.

- The County's net position at June 30, 2024 increased 16.8%, or approximately $22,351,000, over June 30, 2023.

USING THIS ANNUAL REPORT

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

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

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

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

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

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

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

REPORTING DALLAS COUNTY AS A WHOLE

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

The County has three kinds of funds:

1) Governmental funds account for most of the County's basic services. These focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Rural Services and Secondary Roads, 3) the Debt Service Fund and 4) the Capital Projects Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Net Position of Governmental Activities

	June 30, 2024	June 30, 2023
Current and other assets	$ 89,713,514	102,409,273
Capital assets	140,066,788	107,713,506
Total assets	229,780,302	210,122,779
Deferred outflows of resources	5,355,719	3,102,801
Long-term liabilities	28,830,278	27,926,254
Other liabilities	15,705,119	22,656,240
Total liabilities	44,535,397	50,582,494
Deferred inflows of resources	34,872,672	29,266,291
Net position:		
Net investment in capital assets	121,239,893	87,185,691
Restricted	20,540,242	21,316,403
Unrestricted	13,947,817	24,874,701
Total net position	$ 155,727,952	133,376,795

Dallas County's combined net position (which is the County's bottom line) increased $22,351,157, a 16.8% increase.

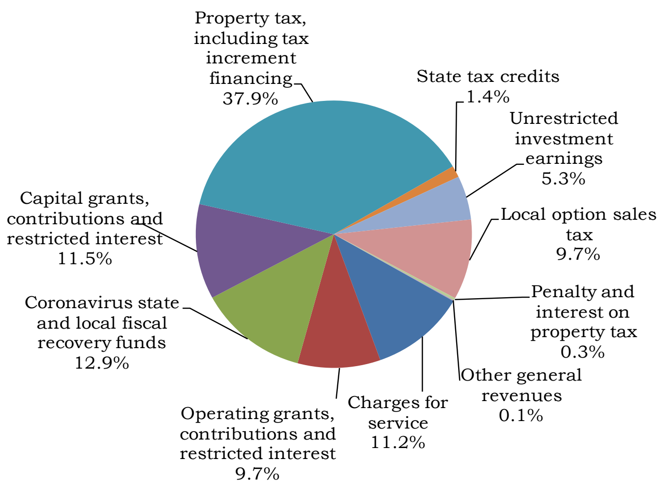
The largest portion of Dallas County's net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased approximately $34.1 million, or 39.1%, over the prior year.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they may be used. This net position category decreased approximately $776,000, or 3.6% from the prior year, primarily due to decreased funds on hand at year end in the Special Revenue, Rural Services and Secondary Roads funds and the Capital Projects Fund.

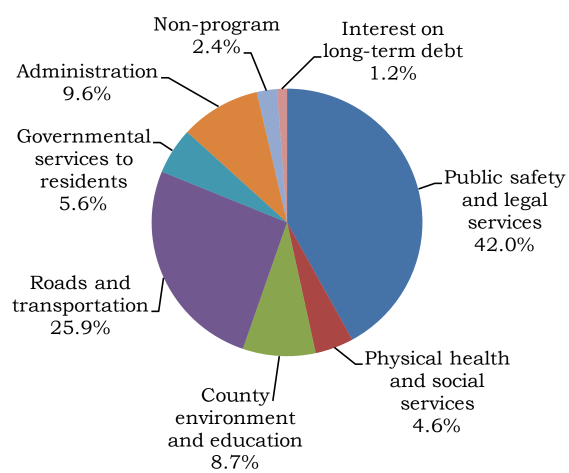
Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased from approximately $24,875,000 at June 30, 2023 to approximately $13,948,000 at the end of this year, a decrease of 43.9%. This decrease is primarily due to a decrease in unassigned funds for capital projects available at year end.

Changes in Net Position of Governmental Activities		
	Year ended June 30,	
	2024	2023
Revenues:		
Program revenues:		
Charges for service	$ 8,143,985	6,827,838
Operating grants, contributions and restricted interest	7,015,190	6,182,847
Capital grants, contributions and restricted interest	8,347,870	1,075,678
General revenues:		
Property tax, including tax increment financing	27,534,399	25,308,160
Penalty and interest on property tax	231,634	189,911
State tax credits	1,047,078	1,144,063
Local option sales tax	7,072,334	7,033,046
Coronavirus state and local fiscal recovery funds	9,364,844	788,475
Unrestricted investment earnings	3,861,482	1,672,129
Other general revenues	77,093	206,679
Total revenues	72,695,909	50,428,826
Program expenses:		
Public safety and legal services	21,129,527	16,765,834
Physical health and social services	2,319,445	1,956,562
County environment and education	4,396,769	3,933,284
Roads and transportation	13,037,080	12,009,644
Governmental services to residents	2,813,922	2,685,912
Administration	4,837,092	3,895,386
Non-program	1,228,740	1,063,308
Interest on long-term debt	582,177	627,981
Total expenses	50,344,752	42,937,911
Change in net position	22,351,157	7,490,915
Net position beginning of year	133,376,795	125,885,880
Net position end of year	$ 155,727,952	133,376,795

Revenues by Source



Expenses by Program



For the year ended June 30, 2024, governmental activities revenues totaled $72,695,909, an increase of $22,267,083 over fiscal year 2023. Property and other county tax revenue, the County's largest revenue source, increased approximately $2,226,000, or 8.8%. The increase in property tax revenues is due to a decrease in the county-wide levy rate and an increase in valuation rate for an overall increase in property taxes collected. Coronavirus State and Local Fiscal Recovery Funds revenues increased $8,576,369, or 1087.7%. This increase was due to revenues being recorded from deferred revenues to fund projects occurring during the fiscal year.

The County's capital grants, contributions, and restricted interest increased approximately $7,272,000, primarily due to an increase in contributed capital from the Iowa Department of Transportation and trail expansion projects. Operating grants, contributions and restricted interest increased approximately $832,000, primarily due to an increase in operating grants related to opioid settlements. Charges for services increased approximately $1,316,000, primarily due to contractual services related to the Heart of Iowa and CROSS Mental Health Region.

The cost of all governmental activities this year was $50,344,752 compared to $42,937,911 last year, an increase of $7,406,841. However, as shown in the Statement of Activities on page 21 the amount taxpayers ultimately financed for these activities was approximately $26.8 million because some of the cost was paid by those directly benefitting from the programs (approximately $8.1 million) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately $15.4 million).

Dallas County's county-wide property tax levy rates decreased from $5.13912 to $4.88748 per $1,000 of taxable valuation for fiscal year 2024. The general basic levy rate for fiscal year 2024 decreased from $2.76505 to $2.72210 per $1,000 of taxable valuation for fiscal year 2024. The rural services tax levy rate for fiscal year 2024 decreased from $2.08728 to $1.91799 per $1,000 of taxable valuation. The debt service levy decreased from $0.28679 to $0.24739 per $1,000 of taxable valuation. The total county-wide taxable property valuation increased $872,288,459, or 11.7%, over the prior year.

MAJOR FUND ANALYSIS AND HIGHLIGHTS

As Dallas County completed the year, its governmental funds reported a combined fund balance of $31,229,751, which is less than the fiscal year 2023 combined fund balance of $44,675,400.

The General Fund's ending fund balance decreased from $15,458,125 to $15,235,182, primarily due to an increase in transfers out for ongoing capital project commitments. Total expenditures increased approximately $11,232,000, or 38.7%. The increase in expenditures is due in part to an increase of approximately $6,204,000 in capital projects for the new administration building, an increase in county environment and education function of approximately $2,140,000 for trail projects and an increase in public safety and legal services function of approximately $2,180,000 for various sheriffs' equipment and increases in payroll. Of the ending fund balance, approximately $446,000 is committed for County farm and approximately $2.0 million is committed for other County purposes.

The Special Revenue, Rural Services Fund ended fiscal year 2024 with a $6,039,298 balance, a decrease of $331,465 from the prior year ending balance. The rural services tax increased due to the levy rate decreasing from $2.08728 to $1.91799 per $1,000 of taxable valuation while property valuations for rural services increased approximately 8.8%. While property taxes increased, local option sales tax decreased approximately $1,923,000 in fiscal year 2024. The majority of the property tax is transferred to the Special Revenue, Secondary Roads Fund. The balance is used for rural contributions for libraries and sanitary disposal projects.

The Special Revenue, Secondary Roads Fund ended fiscal year 2024 with a balance of $5,853,912 a 11.5% decrease compared to the fiscal year 2023 balance of $6,615,301. Revenues decreased approximately $1,446,000, or 21.3%, primarily due to a decrease in grant reimbursements related to bridge projects. Expenditures decreased 1.0%, or approximately $121,000, from the prior year.

The Debt Service Fund ended fiscal year 2024 with a fund balance of $630,810 compared to the fiscal year 2023 balance of $585,063, a 7.8% increase. Debt Service Fund revenues totaled approximately $2,380,000, an increase of 1.3% from the prior year. Expenditures totaled approximately $2,335,000, an increase of $4,100 over the prior year.

The Capital Projects Fund ended fiscal year 2024 with a fund balance of negative $738,708 compared to the fiscal year 2023 balance of $11,602,810, a 106.4% decrease. Revenues increased $1,996,563 due to an increase in grants. Expenditures increased approximately $19,565,000, or 651.4%, primarily due to construction costs for courthouse repairs and an administration building.

BUDGETARY HIGHLIGHTS

Over the course of fiscal year 2024, Dallas County amended the operating budget two times. The first amendment was made in November 2023 to increase budgeted disbursements approximately $34,755,000, for most functions. Budgeted disbursements increased as the Board of Supervisors budgeted certain previously assigned and unspent funds for projects in the prior year. The second amendment was made in May 2024 to decrease budgeted disbursements approximately $4,426,000 for various decreases in project costs made throughout the year, including a decrease in capital projects and administration.

Actual cash basis disbursements for the year totaled $75,610,060 which was $5,709,310 under budgeted disbursements. Capital projects disbursements were approximately $959,000 over budget because certain capital project for trails and building renovations were completed faster than planned. Public safety and legal services disbursements were approximately $3.1 million under budget due to carrying forward of capital equipment purchases. Actual cash basis receipts for fiscal year 2024 were $54,037,550, which was $4,165,296 more than the final budget.

The County exceeded the budgeted amounts in the administration and capital projects function for year ended June 30, 2024 and the capital project function before the budget amendment. In addition, disbursements in certain departments exceeded the amounts appropriated at year end and prior to the appropriation amendments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, Dallas County had $140,066,788 invested in a variety of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This compares to $107,713,506 at the end of fiscal year 2023. The County's net capital assets increased $32,353,282, or 30.0%, over the prior year.

Capital Assets of Governmental Activities at Year End

	June 30, 2024	June 30, 2023
Land	$ 7,540,993	7,540,993
Intangibles, road network	997,235	997,235
Construction in progress	31,920,591	5,485,616
Buildings and improvements	46,088,325	45,441,420
Equipment and vehicles	8,842,972	8,909,086
Right-to-use leased equipment	70,357	17,385
Intangibles	67,178	142,729
Infrastructure	44,539,137	39,179,042
Total	$ 140,066,788	107,713,506
This year's major additions included:		
Administration building		$ 22,137,606
Road and bridge infrastructure		6,887,979
Bike trail expansion		6,453,223
Courthouse remodel and building		1,288,860
River Oaks storm sewer improvements		669,532
Conservation vehicles and equipment		313,926
IT equipment		153,462
Secondary Roads equipment		531,990
Ambulance equipment		91,295
Dispatch Control Stations		193,878
Sheriff vehicles		356,266
Total		$ 39,078,017

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

Long-Term Debt

At June 30, 2024, Dallas County had $18,897,700 of outstanding debt versus $20,581,761 last year, a net decrease of $1,684,061.

Outstanding Debt of Governmental Activities at Year-End		
	June 30,	
	2024	2023
General obligation capital loan notes	$ 18,760,000	20,510,000
Lease agreements	66,895	17,815
Drainage district warrants	70,805	53,946
Total	$ 18,897,700	20,581,761

The net change in outstanding debt is primarily due to scheduled payments on the County's general obligation notes and an increase in lease agreements. Article XI, Section 3 of the Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the actual value of all taxable property within the County's corporate limits. Dallas County's outstanding general obligation debt is significantly below its constitutional debt limit ($15,297,574,673 X .05 = $764,878,734). Additional information about the County's long-term debt is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Dallas County's elected and appointed officials and citizens considered numerous issues when setting the fiscal year 2025 budget, tax rates and the fees charged for various County activities. One of those factors is the economy. Unemployment in the County now stands at 2.7% versus 2.3% a year ago. This compares with the State's unemployment rate of 2.8% and the national rate of 4.1%.

Dallas County is the fastest growing county in Iowa. It was ranked 5th in the nation for growth between 2012 and 2021 with a 44.2% increase in population. These indicators were taken into account when adopting the budget for fiscal year 2025. Budgeted disbursements for the fiscal year 2024 operating budget are approximately $61.1 million, a decrease of about $14.5 million in spending from the prior year's actual disbursements, primarily due to a decrease in capital projects and public safety and legal services functions for sheriff equipment, admin building, high trestle trail, and courthouse exterior projects. The budget estimates a total ending fund balance of approximately $25.2 million at the close of fiscal year 2025.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Dallas County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Rob Tietz at the Operations Administration Office, 800 Court Street, Adel, Iowa 50003.

Dallas County

Basic Financial Statements

Dallas County

Statement of Net Position

June 30, 2024

	Governmental Activities
Assets	
Cash, cash equivalents and pooled investments	$ 47,469,498
Receivables:	
Property tax:	
Delinquent	10,225
Succeeding year	34,108,000
Succeeding year tax increment financing	44,000
Interest and penalty on property tax	24,946
Accounts	397,221
Opioid settlement	1,562,142
Accrued interest	157,097
Drainage assessments	82,771
Due from other governments	4,133,822
Inventories	950,062
Prepaid items	773,730
Capital assets not being depreciated/amortized	40,458,819
Capital assets, net of accumulated depreciation/amortization	99,607,969
Total assets	229,780,302
Deferred Outflows of Resources	
Pension related deferred outflows	4,994,182
OPEB related deferred outflows	361,537
Total deferred outflows of resources	5,355,719

Dallas County

Statement of Net Position

June 30, 2024

	Governmental Activities
Liabilities	
Accounts payable	5,876,272
Accrued interest payable	45,952
Salaries and benefits payable	822,792
Due to other governments	1,096,726
Unearned revenue	7,863,377
Long-term liabilities:	
Portion due or payable within one year:	
Lease agreements	25,718
General obligation capital loan notes	1,790,000
Drainage district warrants	70,805
Compensated absences	819,745
Total OPEB liability	91,360
Portion due or payable after one year:	
Lease agreements	41,177
General obligation capital loan notes	16,970,000
Compensated absences	1,253,527
Net pension liability	5,755,230
Total OPEB liability	2,012,716
Total liabilities	44,535,397
Deferred Inflows of Resources:	
Unavailable property tax revenue	34,108,000
Unavailable tax increment financing revenue	44,000
Pension related deferred inflows	429,356
OPEB related deferred inflows	291,316
Total deferred inflows of resources	34,872,672
Net Position	
Net investment in capital assets	121,239,893
Restricted for:	
Supplemental levy purposes	1,862
Rural services purposes	6,039,857
Secondary roads purposes	5,751,686
Drainage district purposes	99,063
Debt service	585,486
Capital projects	1,849,609
Opioid abatement	2,104,364
Other purposes	4,108,315
Unrestricted	13,947,817
Total net position	$ 155,727,952

See notes to financial statements.

Dallas County

Dallas County

Statement of Activities

Year ended June 30, 2024

	Expenses	Program Revenues: Charges for Service	Program Revenues: Operating Grants, Contributions and Restricted Interest	Program Revenues: Capital Grants, Contributions and Restricted Interest	Net (Expense) Revenue and Changes in Net Position
Functions/Programs:					
Governmental activities:					
Public safety and legal services	$ 21,129,527	2,182,974	215,958	183,955	(18,546,640)
Physical health and social services	2,319,445	288,512	1,372,904	-	(658,029)
County environment and education	4,396,769	498,205	207,662	2,523,867	(1,167,035)
Roads and transportation	13,037,080	71,953	5,128,629	5,640,048	(2,196,450)
Governmental services to residents	2,813,922	2,523,620	1,617	-	(288,685)
Administration	4,837,092	1,548,224	56,668	-	(3,232,200)
Non-program	1,228,740	1,030,497	-	-	(198,243)
Interest on long-term debt	582,177	-	31,752	-	(550,425)
Total	$ 50,344,752	8,143,985	7,015,190	8,347,870	(26,837,707)
General Revenues:					
Property and other county tax levied for:					
General purposes					25,195,368
Debt service					2,294,379
Tax increment financing					44,652
Penalty and interest on property tax					231,634
State tax credits and replacements					1,047,078
Local option sales tax					7,072,334
Coronavirus state and local fiscal recovery funds					9,364,844
Unrestricted investment earnings					3,861,482
Miscellaneous					77,093
Total general revenues					49,188,864
Change in net position					22,351,157
Net position beginning of year					133,376,795
Net position end of year					$ 155,727,952

See notes to financial statements.

Dallas County

Balance Sheet
Governmental Funds

June 30, 2024

		Special Revenue	
	General	Rural Services	Secondary Roads
Assets			
Cash, cash equivalents and pooled investments:			
County Treasurer	$ 23,844,121	6,056,075	5,304,790
Conservation Foundation	-	-	-
Receivables:			
Property tax:			
Delinquent	9,038	559	-
Succeeding year	28,796,000	3,027,000	-
Succeeding year tax increment financing	-	-	-
Interest and penalty on property tax	24,946	-	-
Accounts, net of allowance for doubtful ambulance accounts of $225,273	341,514	-	12,390
Opioid settlement	-	-	-
Accrued interest	135,554	-	-
Drainage assessments	-	-	-
Due from other governments	890,361	128	733,793
Inventories	-	-	950,062
Prepaid items	354,837	-	102,489
Total assets	$ 54,396,371	9,083,762	7,103,524

Debt Service	Capital Projects	Nonmajor	Total
630,810	2,073,311	3,846,131	41,755,238
-	-	277,065	277,065
628	-	-	10,225
2,285,000	-	-	34,108,000
-	-	44,000	44,000
-	-	-	24,946
-	10	-	353,914
-	-	1,562,142	1,562,142
-	-	8,774	144,328
-	-	82,771	82,771
-	1,383,409	72	3,007,763
-	-	-	950,062
-	-	454	457,780
2,916,438	3,456,730	5,821,409	82,778,234

(Continued on next page)

Dallas County

Balance Sheet
Governmental Funds
(continued)

June 30, 2024

	General	Special Revenue: Rural Services	Special Revenue: Secondary Roads
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	$ 717,463	16,481	686,418
Salaries and benefits payable	644,860	-	126,095
Due to other governments	962,735	424	130,695
Unearned revenue	7,863,377	-	-
Total liabilities	10,188,435	16,905	943,208
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	28,796,000	3,027,000	-
Succeeding year tax increment financing	-	-	-
Other	176,754	559	306,404
Total deferred inflows of resources	28,972,754	3,027,559	306,404
Fund balances:			
Nonspendable:			
Inventories	-	-	950,062
Prepaid items	354,837	-	102,489
Restricted for:			
Rural services purposes	-	6,039,298	-
Secondary roads purposes	-	-	4,801,361
Drainage district purposes	-	-	-
Conservation purposes	118,075	-	-
Debt service	-	-	-
Capital projects	-	-	-
Forfeitures	-	-	-
Wetland bank maintenance	-	-	-
Opioid abatement	-	-	-
Other purposes	504,106	-	-
Committed for:			
County conservation	1,670,078	-	-
County farm	445,779	-	-
County care facility	135,328	-	-
Jail commissary	238,131	-	-
Assigned for:			
Departmental purposes	839,675	-	-
Equipment	942,390	-	-
Unassigned	9,986,765	-	-
Total fund balances	15,235,182	6,039,298	5,853,912
Total liabilities, deferred inflows of resources and fund balances	$ 54,396,371	9,083,762	7,103,524

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
-	3,666,479	17,043	5,103,884
-	-	-	770,955
-	-	-	1,093,854
-	-	-	7,863,377
-	3,666,479	17,043	14,832,070
2,285,000	-	-	34,108,000
-	-	44,000	44,000
628	528,959	1,551,109	2,564,413
2,285,628	528,959	1,595,109	36,716,413
-	-	-	950,062
-	-	454	457,780
-	-	-	6,039,298
-	-	-	4,801,361
-	-	87,097	87,097
-	-	1,494,035	1,612,110
630,810	-	-	630,810
-	1,504,605	-	1,504,605
-	-	134,835	134,835
-	-	1,409,544	1,409,544
-	-	636,026	636,026
-	-	447,266	951,372
-	-	-	1,670,078
-	-	-	445,779
-	-	-	135,328
-	-	-	238,131
-	-	-	839,675
-	-	-	942,390
-	(2,243,313)	-	7,743,452
630,810	(738,708)	4,209,257	31,229,751
2,916,438	3,456,730	5,821,409	82,778,234

Dallas County

Dallas County

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

June 30, 2024

Total governmental fund balances (page 25)		$ 31,229,751
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets, excluding Internal Service Funds, is $215,346,861 and the accumulated depreciation/amortization is $75,574,444.		139,772,417
Other long-term assets are not available to pay current year expenditures, and therefore, are recognized as deferred inflows of resources in the governmental funds.		2,564,413
The Internal Service Funds are used by management to charge the costs of various services to individual departments and funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.		5,956,046
Pension and OPEB related deferred outflows of resources and deferred inflows of resources, excluding Internal Service Funds, are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	$ 5,034,376	
Deferred inflows of resources	(677,431)	4,356,945
Long-term liabilities, including general obligation capital loan notes payable, drainage district warrants payable, lease agreements payable, compensated absences payable, net pension liability, total OPEB liability and accrued interest payable, excluding Internal Service Funds, are not due and payable in the current year and, therefore, are not reported in the governmental funds.		(28,151,620)
Net position of governmental activities (page 19)		$ 155,727,952

See notes to financial statements.

Dallas County

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

Year ended June 30, 2024

		Special Revenue	
	General	Rural Services	Secondary Roads
Revenues:			
Property and other county tax	$ 22,190,475	3,003,598	-
Local option sales tax	5,127,310	1,945,024	-
Tax increment financing	-	-	-
Interest and penalty on property tax	240,145	-	-
Intergovernmental	13,480,844	88,877	5,304,229
Licenses and permits	266,886	-	300
Charges for service	3,586,791	-	-
Use of money and property	3,721,484	-	23,949
Miscellaneous	374,200	-	5,093
Total revenues	48,988,135	5,037,499	5,333,571
Expenditures:			
Operating:			
Public safety and legal services	18,735,503	-	-
Physical health and social services	2,373,956	-	-
County environment and education	5,478,256	248,632	-
Roads and transportation	469,623	60,465	11,200,980
Governmental services to residents	2,780,303	-	-
Administration	4,084,997	-	-
Non-program	128,583	-	-
Debt service	-	-	-
Capital projects	6,223,759	-	1,326,321
Total expenditures	40,274,980	309,097	12,527,301
Excess (deficiency) of revenues over (under) expenditures	8,713,155	4,728,402	(7,193,730)
Other financing sources (uses):			
Transfers in	18,696	-	6,432,341
Transfers out	(9,053,164)	(5,059,867)	-
Lease agreements	74,045	-	-
Sale of capital assets	24,325	-	-
Drainage warrants issued	-	-	-
Total other financing sources (uses)	(8,936,098)	(5,059,867)	6,432,341
Change in fund balances	(222,943)	(331,465)	(761,389)
Fund balances beginning of year	15,458,125	6,370,763	6,615,301
Fund balances end of year	$ 15,235,182	6,039,298	5,853,912

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
2,294,643	-	-	27,488,716
-	-	-	7,072,334
-	-	44,652	44,652
-	-	-	240,145
54,067	2,056,788	77,832	21,062,637
-	-	-	267,186
-	1,520	19,448	3,607,759
31,752	38,774	81,472	3,897,431
-	78,786	546,369	1,004,448
2,380,462	2,175,868	769,773	64,685,308
-	-	14,398	18,749,901
-	-	-	2,373,956
-	-	212,341	5,939,229
-	-	-	11,731,068
-	-	-	2,780,303
-	-	-	4,084,997
-	-	-	128,583
2,334,715	-	54,937	2,389,652
-	22,568,076	-	30,118,156
2,334,715	22,568,076	281,676	78,295,845
45,747	(20,392,208)	488,097	(13,610,537)
-	8,050,690	-	14,501,727
-	-	(388,696)	(14,501,727)
-	-	-	74,045
-	-	-	24,325
-	-	66,498	66,498
-	8,050,690	(322,198)	164,868
45,747	(12,341,518)	165,899	(13,445,669)
585,063	11,602,810	4,043,358	44,675,420
630,810	(738,708)	4,209,257	31,229,751

Dallas County

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

Year ended June 30, 2024

Change in fund balances - Total governmental funds (page 29)		$ (13,445,669)
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 capital assets exceeded depreciation/amortization expense in the current year, excluding Internal Service Funds, as follows:		
Expenditures for capital assets	$ 34,245,948	
Capital assets contributed by the Iowa Department of Transportation	5,569,474	
Right-to-use leased capital assets	74,045	
Depreciation/amortization expense	(5,803,769)	34,085,698
In the Statement of Activities, the loss on the disposition of capital assets is reported, whereas the governmental funds, excluding Internal Service Funds, report the proceeds from the disposition as an increase in financial resources.		(1,637,956)
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	(7,480)	
Other	1,161,174	1,153,694
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	(140,543)	
Repaid	1,824,604	1,684,061
The current year County IPERS contributions are reported as expenditures in the governmental funds, excluding Internal Service Funds, but are reported as deferred outflows of resources in the Statement of Net Position.		1,806,763
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, excluding Internal Service Funds, as follows:		
Compensated absences	(75,387)	
Interest on long-term debt	7,836	
Pension expense	(873,454)	
OPEB expense	(195,586)	(1,136,591)
The Internal Service Funds are used by management to charge the costs of various services to individual departments and funds. The change in net position of the Internal Service Funds is included in governmental activities in the Statement of Net Position.		(158,843)
Change in net position of governmental activities (page 21)		$ 22,351,157

See notes to financial statements.

Dallas County

Statement of Net Position
Proprietary Funds

June 30, 2024

		Internal Service
Assets		
Cash and cash equivalents	$	5,437,195
Accounts receivable		43,307
Accrued interest receivable		12,769
Prepaid expenditures		315,950
Due from other governments		1,126,059
Capital assets, net of accumulated depreciation		294,371
Total assets		7,229,651
Deferred Outflows of Resources		
OPEB related deferred outflows		21,692
Pension related deferred outflows		299,651
Total deferred outflows of resources		321,343
Liabilities		
Accounts payable		772,388
Salaries and benefits payable		51,837
Due to other governments		2,872
Long-term liabilities:		
Portion due or payable within one year:		
Compensated absences		64,837
Total OPEB liability		5,482
Portion due or payable after one year:		
Compensated absences		188,216
Net pension liability		345,314
Total OPEB liability		120,761
Total liabilities		1,551,707
Deferred Inflows of Resources		
Unavailable revenues:		
OPEB related deferred inflows		17,479
Pension related deferred inflows		25,762
Total deferred inflows of resources		43,241
Net Position		
Net investment in capital assets		294,371
Nonspendable-prepaid items		315,950
Unrestricted		5,345,725
Total net position	$	5,956,046

See notes to financial statements.

Dallas County

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

Year ended June 30, 2024

		Internal Service
Operating revenues:		
Reimbursements from operating funds and other governmental units		$ 7,086,822
Reimbursements from employees and others		692,826
Miscellaneous		62,869
Total operating revenues		7,842,517
Operating expenses:		
Medical claims	$ 3,928,082	
Administrative and other fees	620,763	
Central services	993,100	
Information technology	1,527,084	
Operations administration	422,227	
Human resources	496,001	
Depreciation/amortization	165,956	8,153,213
Operating loss		(310,696)
Non-operating revenues:		
Interest income		151,853
Net loss		(158,843)
Net position beginning of year		6,114,889
Net position end of year		$ 5,956,046

See notes to financial statements.

Dallas County

Statement of Cash Flows
Proprietary Funds

Year ended June 30, 2024

	Internal Service
Cash flows from operating activities:	
Cash received from operating funds and other reimbursements	$ 7,623,849
Cash paid for personal services	(3,501,227)
Cash paid to suppliers for services	(4,778,226)
Net cash used by operating activities	(655,604)
Cash flows from capital and related financing activities:	
Purchase of equipment	(71,496)
Cash flows from investing activities:	
Interest on investments	152,226
Net decrease in cash and cash equivalents	(574,874)
Cash and cash equivalents beginning of year	6,012,069
Cash and cash equivalents end of year	$ 5,437,195
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	$ (310,696)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation/amortization	165,956
Changes in assets and liabilities:	
Accounts receivable and due from other governments	(218,668)
Prepaid insurance	(21,463)
Deferred outflows of resources	(135,175)
Accounts payable and due to other governments	(251,547)
Salaries and benefits payable	930
Compensated absences	26,973
Net pension liability	127,308
Deferred inflows of resources	(61,057)
Total OPEB liability	21,835
Net cash used by operating activities	$ (655,604)

See notes to financial statements.

Dallas County

Statement of Fiduciary Net Position
Custodial Funds

June 30, 2024

Assets	
Cash, cash equivalents and pooled investments:	
County Treasurer	$ 8,171,223
Other County officials	366,070
Receivables:	
Property tax:	
Delinquent	103,674
Succeeding year	295,156,000
Accounts	327,409
Special assessments	470,026
Due from other governments	95,514
Prepaid insurance	14,012
Total assets	304,703,928
Liabilities	
Accounts payable	621,959
Salaries and benefits payable	59,865
Due to other governments	5,635,180
Trusts payable	988,498
Compensated absences	139,230
Total liabilities	7,444,732
Deferred Inflows of Resources	
Unavailable property tax revenue	295,156,000
Net Position	
Restricted for individuals, organizations and other governments	2,819,137
Unrestricted	(715,941)
Total net position	$ 2,103,196

See notes to financial statements.

Dallas County

Statement of Changes in Fiduciary Net Position
Custodial Funds

Year Ended June 30, 2024

Additions:	
Property and other county tax	$ 274,837,056
911 surcharge	399,468
State tax credits	7,110,564
Office fees and collections	3,531,428
Auto licenses, use tax and postage	50,832,856
Assessments	361,249
Trusts	4,394,171
Miscellaneous	8,599,301
Total additions	350,066,093
Deductions:	
Agency remittances:	
To other funds	2,471,876
To other governments	343,150,111
Trusts paid out	4,394,171
Total deductions	350,016,158
Changes in net position	49,935
Net position beginning of year	2,053,261
Net position end of year	$ 2,103,196

See notes to financial statements.

(1) Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

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

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

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

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

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

B. Basis of Presentation

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

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

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

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

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

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

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

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

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

Additionally, the County reports the following funds:

Proprietary Funds – Internal Service Funds are 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 revenues of the County's Internal Service Funds are charges to customers for sales and services. Operating expenses for Internal Service Funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

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

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

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

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax and tax increment financing receivables 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 April 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 it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2022 assessed property valuations; is for the tax accrual period July 1, 2023 through June 30, 2024 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in April 2023.

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

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

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

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

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

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

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

Asset Class	Amount
Infrastructure	$ 50,000
Intangibles	50,000
Right-to-use leased assets	50,000
Right-to-use subscription asset	100,000
Land, buildings and improvements	25,000
Equipment and vehicles	5,000

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

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

<u>Leases</u> – **County as Lessee** – Dallas County is the lessee for a noncancellable lease of equipment. The County has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of $50,000 or more.

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

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

> Dallas County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
>
> The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and a purchase option price that the County is reasonably certain to exercise.

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

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

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

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

Unearned Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Unearned revenue in the 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.

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death, or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect on June 30, 2024. 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 attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services and Secondary Roads Funds.

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

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

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

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

Unassigned – All amounts not included in the preceding classifications.

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

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2024, disbursements exceeded the amounts budgeted in the administration and capital projects function for the year ended June 30, 2024 and the capital project function before the budget amendment. In addition, disbursements in certain departments exceeded the amounts appropriated at year end and prior to an appropriation amendment.

(2) Cash, Cash Equivalents and Pooled Investments

The County's deposits in banks at June 30, 2024 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, 2024, the County had investments in drainage warrants of $70,805.

At June 30, 2024, the County had the following investments in U.S. Government securities.

Investment	Fair Value	Maturity	Credit Risk
US Treasury	$ 1,972,812	October 15, 2024	NR
Federal Home Loan Bank	988,160	December 13, 2024	Aaa
Federal Farm Credit Bank	244,665	January 6, 2025	Aaa
Federal Farm Credit Bank	258,384	February 10, 2025	Aaa
Federal Farm Credit Bank	199,144	March 14, 2025	Aaa
Tennessee Valley Authority	962,062	May 15, 2025	Aaa
Federal Agricultural Mortgage Corporation	950,520	September 8, 2025	NR
Federal Home Loan Bank	975,190	December 12, 2025	Aaa
Federal Home Loan Bank	936,940	January 16, 2026	Aaa
Federal National Mortgage Association	954,290	April 24, 2026	Aaa
Federal Farm Credit Bank	459,610	September 10, 2026	Aaa
Federal Home Loan Bank	4,652,100	September 29, 2026	Aaa
Federal Farm Credit Bank	964,270	April 12, 2027	Aaa
Federal Farm Credit Bank	895,110	August 23, 2027	Aaa
US Treasury	1,009,758	January 31, 2028	NR
Federal Farm Credit Bank	878,480	May 10, 2028	Aaa
Federal Farm Credit Bank	862,710	February 26, 2029	Aaa
Federal Farm Credit Bank	833,850	September 3, 2030	Aaa
Federal Farm Credit Bank	811,690	February 18, 2031	Aaa
Federal Farm Credit Bank	818,940	September 2, 2031	Aaa
Federal Farm Credit Bank	791,600	June 1, 2033	Aaa
	$ 21,420,285		

NR - not rated

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

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

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

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

Concentration of credit risk – The County places no limit on the amount which may be invested in any one issuer. More than 5% of the County's investments are in U.S. Treasury (13.92%) investments and the Federal Home Loan Bank (35.26%) and Federal Farm Credit Bank (37.43%).

(3) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2024 is as follows:

Transfer to	Transfer from	Amount
General	Special Revenues:	
	Conservation Foundation	$ 18,696
Special Revenue:		
Secondary Roads	General	1,372,474
	Special Revenue:	
	Rural Services	5,059,867
		6,432,341
Capital Projects	General	7,680,690
	Special Revenues:	
	Conservation Foundation	370,000
		8,050,690
Total		$ 14,501,727

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

(4) Capital Assets

Capital assets activity for the year ended June 30, 2024 was as follows:

	Restated Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	$ 7,540,993	-	-	7,540,993
Intangibles, road network	997,235	-	-	997,235
Construction in progress	5,485,616	37,610,875	(11,175,900)	31,920,591
Total capital assets not being depreciated/amortized	14,023,844	37,610,875	(11,175,900)	40,458,819
Capital assets being depreciated/amortized:				
Buildings	61,428,660	3,667,652	(3,447,871)	61,648,441
Improvements other than buildings	1,146,957	-	(175,770)	971,187
Equipment and vehicles	21,340,610	1,883,491	(349,420)	22,874,681
Equipment and vehicles - internal service	1,357,528	74,100	(93,638)	1,337,990
Right-to-use leased equipment	68,065	74,045	(38,715)	103,395
Intangibles	888,386	-	(132,880)	755,506
Infrastructure, road network and other	80,610,251	7,924,581	-	88,534,832
Total capital assets being depreciated/amortized	166,840,457	13,623,869	(4,238,294)	176,226,032
Less accumulated depreciation/amortization for:				
Buildings	16,540,018	1,285,876	(1,773,037)	16,052,857
Improvements other than buildings	594,179	45,486	(161,219)	478,446
Equipment and vehicles	12,820,355	1,811,297	(305,572)	14,326,080
Equipment and vehicles - internal service	968,697	165,956	(91,034)	1,043,619
Right-to-use leased assets	50,680	21,073	(38,715)	33,038
Intangibles	745,657	75,551	(132,880)	688,328
Infrastructure, road network and other	41,431,209	2,564,486	-	43,995,695
Total accumulated depreciation/amortization	73,150,795	5,969,725	(2,502,457)	76,618,063
Total capital assets being depreciated/amortized, net	93,689,662	7,654,144	(1,735,837)	99,607,969
Governmental activities capital assets, net	$ 107,713,506	45,265,019	(12,911,737)	140,066,788

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	$ 1,849,026
Physical health and social services	23,037
County environment and education	865,606
Roads and transportation	2,611,134
Governmental services to residents	94,175
Administration	526,747
Total depreciation/amortization expense - governmental activities	$ 5,969,725

(5) 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, 2024 is as follows:

Fund	Description	Amount
General	Services	$ 962,735
Special Revenue:		
Rural Services	Services	424
Secondary Roads	Services	130,695
Total for government funds		$ 1,093,854
Custodial:		
Heart of Iowa Mental Health Region	Collections	$ 329,331
County Rural Office of Social Services Mental Health Region		47,264
County Assessor		38,256
Schools		463,561
Community Colleges		18,993
Corporations		305,762
City Special Assessments		23,137
Auto License and Use Tax		4,091,960
All other		316,916
Total for agency funds		$ 5,635,180

(6) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2024 is as follows:

	General Obligation Capital Loan Notes	Drainage District Warrants	Lease Agreements	Compensated Absences	Net Pension Liability	Total OPEB Liability	Total
Balance beginning of year	$ 20,510,000	53,946	17,815	1,970,912	3,633,430	1,740,151	27,926,254
Increases	-	66,498	74,045	1,101,068	2,121,800	455,285	3,818,696
Decreases	1,750,000	49,639	24,965	998,708	-	91,360	2,914,672
Balance end of year	$ 18,760,000	70,805	66,895	2,073,272	5,755,230	2,104,076	28,830,278
Due within one year	$ 1,790,000	70,805	25,718	819,745	-	91,360	2,797,628

Drainage Warrants

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

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

General Obligation Capital Loan Notes

A summary of the County's June 30, 2024 general obligation capital loan note indebtedness is as follows:

Year Ending June 30,	Communication Equipment and Refunding Issued Nov 17, 2015 Interest Rates	Principal	Interest	Law Enforcement Center Capital Loan Notes Series 2017A Issued Dec 1, 2017 Interest Rates	Principal	Interest
2025	2.00%	$ 535,000	21,600	2.60-3.05%	$ -	234,072
2026	2.00	545,000	10,900	2.60-3.05	-	234,073
2027		-	-	2.60-3.05	-	234,072
2028		-	-	2.60-3.05	-	234,073
2029		-	-	2.60-3.05	-	234,072
2030-2034		-	-	2.60-3.05	3,710,000	1,085,013
2035-2037		-	-	2.90-3.05	4,470,000	271,758
Total		$ 1,080,000	32,500		$ 8,180,000	2,527,133

Year Ending June 30,	Refunding Capital Loan Notes Series 2017B Issued Dec 1, 2017 Interest Rates	Principal	Interest	Law Enforcement Center Capital Loan Notes Series 2018A Issued Jun 21, 2018 Interest Rates	Principal	Interest
2025	1.90%	$ 155,000	13,515	3.00%	$ 1,100,000	268,115
2026	2.10	155,000	10,570	3.00	1,135,000	235,115
2027	2.20	160,000	7,315	3.00	1,170,000	201,065
2028	2.30	165,000	3,795	3.00	1,205,000	165,965
2029		-	-	3.00	1,240,000	129,815
2030-2034		-	-	3.00-3.20	3,015,000	160,580
2035-2037		-	-		-	-
Total		$ 635,000	35,195		$ 8,865,000	1,160,655

Year Ending June 30,	Total Principal	Interest	Total
2025	$ 1,790,000	537,302	2,327,302
2026	1,835,000	490,658	2,325,658
2027	1,330,000	442,452	1,772,452
2028	1,370,000	403,833	1,773,833
2029	1,240,000	363,887	1,603,887
2030-2034	6,725,000	1,085,013	7,810,013
2035-2037	4,470,000	271,758	4,741,758
Total	$ 18,760,000	3,594,903	22,354,903

On November 17, 2015, the County issued $7,125,000 of general obligation capital loan notes with an interest rate of 2.00% per annum. The notes were issued to provide funds to pay costs of acquisition and installation of peace office communication equipment and other emergency services communication equipment and system and refunding of outstanding indebtedness. During the year ended June 30, 2024, the County paid principal of $525,000 and interest of $32,100 on the notes.

On December 1, 2017, the County issued $8,180,000 of general obligation capital loan notes with interest rates ranging from 2.60% to 3.05% per annum. The notes were issued to help pay for designing and constructing a new law enforcement center. During the year ended June 30, 2024, the County paid interest of $234,073 on the notes.

On December 1, 2017, the County issued $1,570,000 of general obligation refunding capital loan notes with interest rates ranging from 1.75% to 3.00% per annum. The notes were issued to refund outstanding indebtedness. During the year ended June 30, 2024, the County paid principal of $155,000 and interest of $16,228 on the notes.

On June 21, 2018, the County issued $14,720,000 of general obligation capital loan notes with interest rate range of 3.00 to 3.20 % per annum. The notes were issued to help pay for design and construction of a new law enforcement center. During the year ended June 30, 2024, the County paid principal of $1,070,000 and interest of $300,215 on the notes.

Lease Agreements

On September 10, 2020, the County entered into a noncancelable lease agreement for postage meter machines. The agreement requires monthly payments of $109 for the first twelve months and $139 for the remaining four years with an estimated implicit interest rate of 3.0% and final payment due September 1, 2025. During the year ended June 30, 2024, the County paid principal of $1,580 and interest of $87 on the agreement.

On October 26, 2021, the County entered into a noncancelable lease agreement for postage meter machines. The agreement requires monthly payments of $175 over four years with an estimated implicit interest rate of 3.0% and final payment due October 1, 2025. During the year ended June 30, 2024, the County paid principal of $1,989 and interest of $115 on the agreement.

On December 21, 2021, the County entered into a noncancelable lease agreement for postage meter machines. The agreement requires monthly payments of $328 over four years with an estimated implicit interest rate of 3.0% and final payment due December 1, 2025. During the year ended June 30, 2024, the County paid principal of $3,698 and interest of $233 on the agreement.

On October 2, 2023, the County entered into a noncancelable lease agreement for four conservation mowers with side discharge mower decks. The agreement requires annual payments of $19,920 over four years with an interest rate of 3.0% and final payment due July 15, 2026. During the year ended June 30, 2024, the County paid principal of $17,699 and interest of $2,221 on the agreement.

Details of the County's June 30, 2024 lease indebtedness paid from the General Fund are as follows:

Year Ending June 30,	Postage Meters Principal	Postage Meters Interest	Postage Meters Total	Conservation Mowers Principal	Conservation Mowers Interest	Conservation Mowers Total
2025	7,488	216	7,704	18,230	1,690	19,920
2026	3,060	25	3,085	18,777	1,143	19,920
2027	-	-	-	19,340	580	19,920
Totals	10,548	241	10,789	56,347	3,413	59,760

Year Ending June 30,	Total Principal	Total Interest	Total Total
2025	$ 25,718	1,906	27,624
2026	21,837	1,168	23,005
2027	19,340	580	19,920
Totals	$ 66,895	3,654	70,549

(7) Pension Plan

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

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

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

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

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

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

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

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

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

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

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

In fiscal year 2024, 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 8.51% of covered payroll, for a total rate of 17.02%. Protection occupation members contributed 6.21% of covered payroll and the County contributed 9.31% of covered payroll, for a total rate of 15.52%.

The County's contributions to IPERS for the year ended June 30, 2024 totaled $1,922,088.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2024, the County reported a liability of $5,755,230 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 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, 2023, the County's proportion was 0.127507%, which was an increase of .031337% over its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the County recognized pension expense of $929,206. At June 30, 2024, 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	$	1,509,148	28,281
Changes of assumptions		-	262,766
Net difference between projected and actual earnings on IPERS' investments		1,071,802	-
Changes in proportion and differences between County contributions and its proportionate share of contributions		491,144	138,309
County contributions subsequent to the measurement date		1,922,088	-
Total	$	4,994,182	429,356

$1,922,088 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. 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
2025		(19,548)
2026		(570,527)
2027		2,586,126
2028		541,282
2029		105,405
Total	$	2,642,738

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension asset in the June 30, 2023 actuarial valuation was determined using the following actuarial assumption applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2023 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 2023 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	21.0%	4.56%
International equity	16.5	6.22
Global smart beta equity	5.0	5.22
Core plus fixed income	23.0	2.69
Public credit	3.0	4.38
Cash	1.0	1.59
Private equity	17.0	10.44
Private real assets	9.0	3.88
Private credit	4.5	4.60
Total	100.0%	

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

Sensitivity of the County's Proportionate Share of the Net Pension Liability (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)	$ 17,409,209	5,755,230	(4,014,487)

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, 2024.

(8) Other Postemployment Benefits (OPEB)

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

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

Retired participants must be age 55 or older at retirement. At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	11
Active employees	276
Total	287

Total OPEB Liability – The County's total OPEB liability of $2,104,076 was measured as of June 30, 2024 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2022)	3.25% per annum.
Rates of salary increase (effective June 30, 2022)	3.25% per annum, including inflation
Discount rate (effective June 30, 2024)	4.21% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2024)	8.00% initial rate decreasing to an ultimate rate of 4.50%.

Discount Rate – The discount rate used to measure the total OPEB liability was 4.21% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year	$ 1,740,151
Changes for the year:	
Service cost	175,031
Interest	77,230
Differences between expected and actual experiences	102,885
Changes in assumptions	100,139
Benefit payments	(91,360)
Net changes	363,925
Total OPEB liability end of year	$ 2,104,076

Changes of assumptions reflect a change in the discount rate from 4.13% in fiscal year 2023 to 4.21% in fiscal year 2024.

Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.21%) or 1% higher (5.21%) than the current discount rate.

	1% Decrease (3.21%)	Discount Rate (4.21%)	1% Increase (5.21%)
Total OPEB liability	$ 2,291,971	2,104,076	1,929,909

Sensitivity of the County's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be it were calculated using healthcare cost trend rates that are 1% lower (initial rate of 7.00%, decreasing to an ultimate rate of 3.50%) or 1% higher (initial rate of 9.00%, decreasing to an ultimate rate of 5.50%) than the current healthcare cost trend rates.

	1% Decrease (7.00%)	Healthcare Cost Trend Rate (8.00%)	1% Increase (9.00%)
Total OPEB liability	$ 1,821,699	2,104,076	2,443,598

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2024, the County recognized OPEB expense of $299,430. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 164,827	165,362
Changes in assumptions	196,710	125,954
Total	$ 361,537	291,316

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

Year Ending June 30,	Amount
2025	$ (8,307)
2026	2,599
2027	(20,536)
2028	62,631
2029	33,834
	$ 70,221

(9) 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 803 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, 2024 were $848,094.

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 $500,000 each occurrence, each location. Property risks 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.

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, 2024, no liability has been recorded in the County's financial statements. As of June 30, 2024, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

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

(10) Employee Health Insurance Plan

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

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to First Administrators from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2024 was $3,514,969.

Amounts payable from the Employee Group Health Fund at June 30, 2024 total $680,292, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior year and current year claims and to establish a reserve for catastrophic losses. That reserve was $4,284,907 at June 30, 2024 and is reported as a designation of the Internal Service, Employee Group Health Fund net position. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid claims beginning of year	$ 909,673
Incurred claims (including claims incurred but not reported at June 30, 2024)	3,928,082
Payments on claims during the fiscal year	(4,157,463)
Unpaid claims end of year	$ 680,292

(11) Deferred Compensation Plan

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

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

(12) Economic Development Agreements

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

On March 11, 2024, Tyson Foods notified Iowa Workforce Development and others of their intention to close a processing plant in Dallas County. In FY24, the County informed Tyson Fresh Meats they were no longer in compliance with the Developer Agreement. On October 29, 2024, the County by Resolution, terminated the developer agreement with Tyson Fresh Meats and the remaining outstanding balance of $517,118 will not be fulfilled. No payments were made in the year ended June 30, 2024.

(13) Tax Abatements

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

Tax Abatements of Other Entities

Other entities within the County provided tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa. For these types of projects, the other entities enter into agreements with developers which require the other entities, after developers meet the terms of the agreements, to rebate a portion of property tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount. Additionally, the City of Dallas Center, City of Perry, and City of Van Meter offered an urban revitalization tax abatement program pursuant to Chapter 404 of the Code of Iowa. With prior approval by the governing body, this program provides for an exemption of taxes based on a percentage of the actual value added by improvements.

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2024 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Clive	Urban renewal and economic development projects	$ 5,479
City of Dallas Center	Other tax abatement projects	4,869
City of De Soto	Urban renewal and economic development projects	9,883
City of Granger	Urban renewal and economic development projects	12,382
City of Perry	Urban renewal and economic development projects	8,520
	Other tax abatement projects	19,661
City of Van Meter	Other tax abatement projects	47,139
City of Waukee	Urban renewal and economic development projects	111,450
City of West Des Moines	Urban renewal and economic development projects	142,854

(14) Pending Litigation

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

(15) Construction Commitment

The County entered into a contract for $25,953,087 for construction of a new administration building. As of June 30, 2024, costs of $20,482,438 have been incurred on the contract. The $5,470,649 balance on the contract will be paid as work on the project progresses.

(16) Subsequent Events

On July 1, 2024, the County entered into a 28E agreement with 13 counties to create a mental health and disability service regional administrative entity as defined in the Iowa Code 441-25.11(331) to provide local access to mental health and disability services for adults and children and to engage in any other related activity in which an Iowa 28E organization may lawfully be engaged in compliance with Iowa Code section 225.7A.

Dallas County

Required Supplementary Information

Dallas County

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

Required Supplementary Information

Year ended June 30, 2024

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	$ 34,443,554	-	34,443,554
Interest and penalty on property tax	240,145	-	240,145
Intergovernmental	11,241,478	-	11,241,478
Licenses and permits	265,121	-	265,121
Charges for service	3,606,426	-	3,606,426
Use of money and property	3,220,775	5,154	3,215,621
Miscellaneous	1,219,290	194,085	1,025,205
Total receipts	54,236,789	199,239	54,037,550
Disbursements:			
Public safety and legal services	18,825,791	-	18,825,791
Physical health and social services	2,396,612	-	2,396,612
County environment and education	5,807,850	136,795	5,671,055
Roads and transportation	11,916,859	-	11,916,859
Governmental services to residents	2,797,507	-	2,797,507
Administration	3,904,993	-	3,904,993
Non-program	85,272	-	85,272
Debt service	2,389,652	54,937	2,334,715
Capital projects	27,677,256	-	27,677,256
Total disbursements	75,801,792	191,732	75,610,060
Excess (deficiency) of receipts over (under) disbursements	(21,565,003)	7,507	(21,572,510)
Other financing sources, net	(297,873)	(322,198)	24,325
Change in balances	(21,862,876)	(314,691)	(21,548,185)
Balance beginning of year	65,781,378	679,338	65,102,040
Balance end of year	$ 43,918,502	364,647	43,553,855

See accompanying independent auditor's report.

Budgeted Amounts		Final to Net
Original	Final	Variance
33,548,279	33,548,279	895,275
129,500	129,500	110,645
8,875,428	8,562,632	2,678,846
239,850	248,850	16,271
3,373,542	3,028,542	577,884
959,901	2,988,907	226,714
1,283,450	1,365,544	(340,339)
48,409,950	49,872,254	4,165,296
20,412,382	21,961,910	3,136,119
2,371,476	2,583,545	186,933
4,280,722	7,434,832	1,763,777
11,655,676	12,879,940	963,081
3,128,949	3,522,803	725,296
3,876,012	3,779,947	(125,046)
100,500	103,437	18,165
2,334,716	2,334,716	1
2,830,000	26,718,240	(959,016)
50,990,433	81,319,370	5,709,310
(2,580,483)	(31,447,116)	(1,544,014)
-	-	24,325
(2,580,483)	(31,447,116)	(1,519,689)
55,456,743	65,135,870	(33,830)
52,876,260	33,688,754	(1,553,519)

Dallas County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2024

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	$ 54,236,789	10,448,519	64,685,308
Expenditures	75,801,792	2,494,053	78,295,845
Net	(21,565,003)	7,954,466	(13,610,537)
Other financing sources, net	(297,873)	462,741	164,868
Beginning fund balances	65,781,378	(21,105,958)	44,675,420
Ending fund balances	$ 43,918,502	(12,688,751)	31,229,751
Unrealized loss on investments*	(1,886,199)		
Cash, cash equivalents and pooled investments	$ 42,032,303		

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

See accompanying independent auditor's report.

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

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

Formal and legal budgetary control is based upon nine major classes of expenditures known as functions, not by fund. These nine functions are: public safety and legal services, physical health and social services, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by $30,328,937. 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, 2024, disbursements exceeded the amounts budgeted in the administration and capital projects function. In addition, disbursements in capital projects function exceeded the budget prior to amendment. Also, disbursements in certain departments exceeded amounts appropriated at year end and prior to the appropriation amendments.

Dallas County

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

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

Required Supplementary Information

		2024	2023	2022	2021
County's proportion of the net pension liability (asset)		0.127507%	0.096170%	1.317908% **	0.138134%
County's proportionate share of the net pension liability (asset)	$	5,755	3,633	(4,550)	9,704
County's covered payroll	$	19,107	16,756	15,772	14,844
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll		30.12%	21.68%	(28.85%)	65.37%
IPERS' net position as a percentage of the total pension liability (asset)		90.13%	91.40%	100.81%	82.90%

* 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.

2020	2019	2018	2017	2016	2015
0.129090%	0.130866%	0.142952%	0.141174%	0.128206%	0.119569%
7,475	8,281	9,522	8,885	6,334	4,742
14,219	13,607	13,369	12,784	11,788	11,318
52.57%	60.86%	71.22%	69.50%	53.73%	41.90%
85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

Dallas County

Schedule of County Contributions

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

Required Supplementary Information

	2024	2023	2022	2021
Statutorily required contribution	$ 1,922	1,779	1,566	1,489
Contributions in relation to the statutorily required contribution	(1,922)	(1,779)	(1,566)	(1,489)
Contribution deficiency (excess)	$ -	-	-	-
County's covered payroll	$ 20,696	19,107	16,756	15,772
Contributions as a percentage of covered payroll	9.29%	9.31%	9.35%	9.44%

See accompanying independent auditor's report.

2020	2019	2018	2017	2016	2015
1,414	1,364	1,236	1,216	1,152	1,081
(1,414)	(1,364)	(1,236)	(1,216)	(1,152)	(1,081)
-	-	-	-	-	-
14,844	14,219	13,607	13,369	12,784	11,788
9.53%	9.59%	9.08%	9.10%	9.01%	9.17%

Dallas County

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%.

Dallas County

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

For the Last Eight Years
Required Supplementary Information

	2024	2023	2022	2021
Service cost	$ 175,031	125,937	177,088	131,467
Interest cost	77,230	63,504	43,527	46,589
Difference between expected and actual experiences	102,885	118,636	(247,114)	(41,172)
Changes in assumptions	100,139	54,127	(251,909)	180,010
Benefit payments	(91,360)	(96,594)	(114,386)	(138,192)
Net change in total OPEB liability	363,925	265,610	(392,794)	178,702
Total OPEB liability beginning of year	1,740,151	1,474,541	1,867,335	1,688,633
Total OPEB liability end of year	$ 2,104,076	1,740,151	1,474,541	1,867,335
Covered-employee payroll	$ 21,190,394	20,116,248	17,066,767	16,452,212
Total OPEB liability as a percentage of covered-employee payroll	9.93%	8.65%	8.64%	11.35%

See accompanying independent auditor's report.

2020	2019	2018	2017
120,616	94,371	102,364	42,557
62,306	54,182	54,099	34,944
(168,497)	312,808	(131,012)	224,545
103,039	20,065	(30,141)	7,253
(165,207)	(100,456)	(113,339)	(64,633)
(47,743)	380,970	(118,029)	244,666
1,736,376	1,355,406	1,473,435	1,228,769
1,688,633	1,736,376	1,355,406	1,473,435
15,111,424	14,469,527	14,052,888	13,512,392
11.17%	12.00%	9.65%	10.90%

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

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

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

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

Year ended June 30, 2024	4.21%
Year ended June 30, 2023	4.13%
Year ended June 30, 2022	4.09%
Year ended June 30, 2021	2.19%
Year ended June 30, 2020	2.66%
Year ended June 30, 2019	3.51%
Year ended June 30, 2018	3.87%
Year ended June 30, 2017	3.56%
Year ended June 30, 2016	2.92%

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

Supplementary Information

Dallas County

Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2024

	Special			
	Wetland Bank Maintenance	County Sheriff Forfeiture	Sheriff Federal Forfeiture	County Attorney Forfeiture
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	$ 1,425,913	66,829	24,656	43,467
Conservation Foundation	-	-	-	-
Receivables:				
Succeeding year tax increment financing	-	-	-	-
Opioid settlement	-	-	-	-
Accrued interest	-	-	-	-
Drainage assessments	-	-	-	-
Due from other governments	-	-	-	72
Prepaid items	-	454	-	-
Total assets	$ 1,425,913	67,283	24,656	43,539
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	$ 16,369	189	-	-
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year tax increment financing	-	-	-	-
Other	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Nonspendable:				
Prepaid items	-	454	-	-
Restricted for:				
Drainage district purposes	-	-	-	-
Conservation purposes	-	-	-	-
Forfeitures	-	66,640	24,656	43,539
Wetland bank maintenance	1,409,544	-	-	-
Opioid abatement	-	-	-	-
Other purposes	-	-	-	-
Total fund balances	1,409,544	67,094	24,656	43,539
Total liabilities, deferred inflows of resources and fund balances	$ 1,425,913	67,283	24,656	43,539

See accompanying independent auditor’s report.

Revenue							
County Recorder's Records Management	Resource Enhancement and Protection	Conservation Conditional Use	Local Government Opioid Abatement	Drainage Districts	Tax Increment Financing	Conservation Foundation	Total
110,612	291,999	1,208,196	542,222	87,582	44,655	-	3,846,131
-	-	-	-	-	-	277,065	277,065
-	-	-	-	-	44,000	-	44,000
-	-	-	1,562,142	-	-	-	1,562,142
-	-	8,774	-	-	-	-	8,774
-	-	-	-	82,771	-	-	82,771
-	-	-	-	-	-	-	72
-	-	-	-	-	-	-	454
110,612	291,999	1,216,970	2,104,364	170,353	88,655	277,065	5,821,409
-	-	-	-	485	-	-	17,043
-	-	-	-	-	44,000	-	44,000
-	-	-	1,468,338	82,771	-	-	1,551,109
-	-	-	1,468,338	82,771	44,000	-	1,595,109
-	-	-	-	-	-	-	454
-	-	-	-	87,097	-	-	87,097
-	-	1,216,970	-	-	-	277,065	1,494,035
-	-	-	-	-	-	-	134,835
-	-	-	-	-	-	-	1,409,544
-	-	-	636,026	-	-	-	636,026
110,612	291,999	-	-	-	44,655	-	447,266
110,612	291,999	1,216,970	636,026	87,097	44,655	277,065	4,209,257
110,612	291,999	1,216,970	2,104,364	170,353	88,655	277,065	5,821,409

Dallas County

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

Year ended June 30, 2024

	Special			
	Wetland Bank Maintenance	County Sheriff Forfeiture	Sheriff Federal Forfeiture	County Attorney Forfeiture
Revenues:				
Tax increment financing	$ -	-	-	-
Intergovernmental	45,440	-	-	-
Charges for service	-	-	-	-
Use of money and property	15,829	-	-	-
Miscellaneous	-	14,802	-	1,719
Total revenues	61,269	14,802	-	1,719
Expenditures:				
Operating:				
Public safety and legal services	-	14,398	-	-
County environment and education	75,061	-	-	-
Debt service	-	-	-	-
Total expenditures	75,061	14,398	-	-
Excess (deficiency) of revenues over (under) expenditures	(13,792)	404	-	1,719
Other financing sources (uses):				
Transfers out	-	-	-	-
Drainage warrants issued	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Change in fund balances	(13,792)	404	-	1,719
Fund balances beginning of year	1,423,336	66,690	24,656	41,820
Fund balances end of year	$ 1,409,544	67,094	24,656	43,539

See accompanying independent auditor's report.

Revenue							
County Recorder's Records Management	Resource Enhancement and Protection	Conservation Conditional Use	Local Government Opioid Abatement	Drainage Districts	Tax Increment Financing	Conservation Foundation	Total
-	-	-	-	-	44,652	-	44,652
-	32,389	-	-	-	3	-	77,832
19,448	-	-	-	-	-	-	19,448
-	7,579	43,023	9,887	-	-	5,154	81,472
-	-	-	335,763	114,684	-	79,401	546,369
19,448	39,968	43,023	345,650	114,684	44,655	84,555	769,773
-	-	-	-	-	-	-	14,398
-	-	-	-	125,794	-	11,486	212,341
-	-	-	-	54,937	-	-	54,937
-	-	-	-	180,731	-	11,486	281,676
19,448	39,968	43,023	345,650	(66,047)	44,655	73,069	488,097
-	-	-	-	-	-	(388,696)	(388,696)
-	-	-	-	66,498	-	-	66,498
-	-	-	-	66,498	-	(388,696)	(322,198)
19,448	39,968	43,023	345,650	451	44,655	(315,627)	165,899
91,164	252,031	1,173,947	290,376	86,646	-	592,692	4,043,358
110,612	291,999	1,216,970	636,026	87,097	44,655	277,065	4,209,257

Dallas County

Dallas County

Combining Schedule of Net Position
Internal Service Funds

June 30, 2024

	Professional Services	Employee Group Health	Total
Assets			
Cash and pooled investments	$ 532,340	4,904,855	5,437,195
Accounts receivable	1,093	42,214	43,307
Accrued interest receivable	-	12,769	12,769
Prepaid expenditures	315,950	-	315,950
Due from other governments	1,120,698	5,361	1,126,059
Capital assets, net of accumulated depreciation	294,371	-	294,371
Total assets	2,264,452	4,965,199	7,229,651
Deferred Outflows of Resources			
OPEB related deferred outflows	21,692	-	21,692
Pension related deferred outflows	299,651	-	299,651
Total deferred outflows of resources	321,343	-	321,343
Liabilities			
Accounts payable	92,096	680,292	772,388
Salaries and benefits payable	51,837	-	51,837
Due to other governments	2,872	-	2,872
Long-term liabilities:			
Portion due or payable within one year:			
Compensated absences	64,837	-	64,837
Total OPEB liability	5,482	-	5,482
Portion due or payable after one year:			
Compensated absences	188,216	-	188,216
Net pension liability	345,314	-	345,314
Total OPEB liability	120,761	-	120,761
Total liabilities	871,415	680,292	1,551,707
Deferred Inflows of Resources			
Unavailable revenues:			
OPEB related deferred inflows	17,479	-	17,479
Pension related deferred inflows	25,762	-	25,762
Total deferred inflows of resources	43,241	-	43,241
Net Position			
Net investment in capital assets	294,371	-	294,371
Nonspendable-prepaid Items	315,950	-	315,950
Unrestricted	1,060,818	4,284,907	5,345,725
Total net position	$ 1,671,139	4,284,907	5,956,046

See accompanying independent auditor's report.

Dallas County

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

Year ended June 30, 2024

	Professional Services	Employee Group Health	Total
Operating revenues:			
Reimbursements from operating funds and other governmental units	$ 3,571,853	3,514,969	7,086,822
Reimbursements from employees and others	-	692,826	692,826
Miscellaneous	62,869	-	62,869
Total operating revenues	3,634,722	4,207,795	7,842,517
Operating expenses:			
Medical claims	-	3,928,082	3,928,082
Administrative and other fees	-	620,763	620,763
Central services	993,100	-	993,100
Information technology	1,527,084	-	1,527,084
Operations administration	422,227	-	422,227
Human resources	496,001	-	496,001
Depreciation	165,956	-	165,956
Total operating expenses	3,604,368	4,548,845	8,153,213
Operating income (loss)	30,354	(341,050)	(310,696)
Non-operating revenues:			
Interest income	-	151,853	151,853
Net income (loss)	30,354	(189,197)	(158,843)
Net position beginning of year	1,640,785	4,474,104	6,114,889
Net position end of year	$ 1,671,139	4,284,907	5,956,046

See accompanying independent auditor's report.

Dallas County

Combining Schedule of Cash Flows
Internal Service Funds

Year ended June 30, 2024

	Professional Services	Employee Group Health	Total
Cash flows from operating activities:			
Cash received from operating funds and other reimbursements	$ 3,459,344	4,164,505	7,623,849
Cash paid for personal services	(3,501,227)	-	(3,501,227)
Cash paid to suppliers for services	-	(4,778,226)	(4,778,226)
Net cash used by operating activities	(41,883)	(613,721)	(655,604)
Cash flows from capital and related financing activities:			
Purchase of equipment	(71,496)	-	(71,496)
Cash flows from investing activities:			
Interest on investments	-	152,226	152,226
Net decrease in cash and cash equivalents	(113,379)	(461,495)	(574,874)
Cash and cash equivalents beginning of year	645,719	5,366,350	6,012,069
Cash and cash equivalents end of year	$ 532,340	4,904,855	5,437,195
Reconciliation of operating income (loss) to net cash used by operating activities:			
Operating income	$ 30,354	(341,050)	(310,696)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:			
Depreciation/amortization	165,956	-	165,956
Changes in assets and liabilities:			
Accounts receivable and due from other governments	(175,378)	(43,290)	(218,668)
Prepaid insurance	(21,463)	-	(21,463)
Deferred outflows of resources	(135,175)	-	(135,175)
Accounts payable and due to other governments	(22,166)	(229,381)	(251,547)
Salaries and benefits payable	930	-	930
Compensated absences	26,973	-	26,973
Net pension liability	127,308	-	127,308
Deferred inflows of resources	(61,057)	-	(61,057)
Total OPEB liability	21,835	-	21,835
Net cash used by operating activities	$ (41,883)	(613,721)	(655,604)

See accompanying independent auditor’s report.

Dallas County

Combining Schedule of Fiduciary Net Position
Custodial Funds

June 30, 2024

	County Offices	Heart of Iowa Mental Health Region	County Rural Office of Social Services Mental Health Region	Agricultural Extension Education	County Assessor
Assets					
Cash, cash equivalents and pooled investments:					
County Treasurer	$ -	177,558	45,179	2,008	1,161,592
Other County officials	366,070	-	-	-	-
Receivables:					
Property tax:					
Delinquent	-	-	-	206	891
Succeeding year	-	-	-	655,000	2,840,000
Accounts	1,897	1,284	407	-	-
Special assessments	-	-	-	-	-
Due from other governments	-	11,838	-	-	-
Prepaid expenses	-	1,543	117	-	11,647
Total assets	$ 367,967	192,223	45,703	657,214	4,014,130
Liabilities					
Accounts payable	$ -	462,727	110,889	-	19,039
Salaries and benefits payable	-	-	3,656	-	46,888
Due to other governments	270,685	329,331	47,264	2,008	38,256
Trusts payable	97,282	-	-	-	-
Compensated absences	-	-	-	-	120,433
Total liabilities	367,967	792,058	161,809	2,008	224,616
Deferred Inflows of Resources					
Unavailable revenues	-	-	-	655,000	2,840,000
Net Position					
Restricted for individuals, organizations and other governments	-	-	-	206	949,514
Unrestricted	-	(599,835)	(116,106)	-	-
Total net position	$ -	(599,835)	(116,106)	206	949,514

See accompanying independent auditor's report.

Schools	Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Other	Total
463,561	18,993	305,762	3,103	23,137	3,815,397	2,154,933	8,171,223
-	-	-	-	-	-	-	366,070
48,275	2,047	36,387	122	14,090	-	1,656	103,674
157,635,000	6,520,000	117,986,000	719,000	-	-	8,801,000	295,156,000
-	-	-	-	-	276,563	47,258	327,409
-	-	-	-	470,026	-	-	470,026
-	-	-	-	-	-	83,676	95,514
-	-	-	-	-	-	705	14,012
158,146,836	6,541,040	118,328,149	722,225	507,253	4,091,960	11,089,228	304,703,928
-	-	-	-	-	-	29,304	621,959
-	-	-	-	-	-	9,321	59,865
463,561	18,993	305,762	3,103	23,137	4,091,960	41,120	5,635,180
-	-	-	-	-	-	891,216	988,498
-	-	-	-	-	-	18,797	139,230
463,561	18,993	305,762	3,103	23,137	4,091,960	989,758	7,444,732
157,635,000	6,520,000	117,986,000	719,000	-	-	8,801,000	295,156,000
48,275	2,047	36,387	122	484,116	-	1,298,470	2,819,137
-	-	-	-	-	-	-	(715,941)
48,275	2,047	36,387	122	484,116	-	1,298,470	2,103,196

Dallas County

Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds

Year ended June 30, 2024

	County Offices	Heart of Iowa Mental Health Region	County Rural Office of Social Services Mental Health Region	Agricultural Extension Education	County Assessor
Additions:					
Property and other county tax	$ -	-	-	641,263	2,601,030
911 surcharge	-	-	-	-	-
State tax credits	-	-	-	23,243	93,437
Office fees and collections	3,531,428	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-	-
Assessments	-	-	-	-	-
Trusts	2,690,471	-	-	-	-
Miscellaneous	-	4,414,981	3,695,412	-	-
Total additions	6,221,899	4,414,981	3,695,412	664,506	2,694,467
Deductions:					
Agency remittances:					
To other funds	1,229,960	-	-	-	-
To other governments	2,301,468	5,338,538	3,811,518	664,550	1,990,498
Trusts paid out	2,690,471	-	-	-	-
Total deductions	6,221,899	5,338,538	3,811,518	664,550	1,990,498
Changes in net position	-	(923,557)	(116,106)	(44)	703,969
Net position beginning of year	-	323,722	-	250	245,545
Net position end of year	$ -	(599,835)	(116,106)	206	949,514

See accompanying independent auditor's report.

Schools	Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Other	Total
148,714,763	6,065,057	107,935,282	712,966	-	-	8,166,695	274,837,056
-	-	-	-	-	-	399,468	399,468
3,742,216	158,286	2,831,489	21,854	-	-	240,039	7,110,564
-	-	-	-	-	-	-	3,531,428
-	-	-	-	-	50,832,856	-	50,832,856
-	-	-	-	361,249	-	-	361,249
-	-	-	-	-	-	1,703,700	4,394,171
-	-	-	-	-	-	488,908	8,599,301
152,456,979	6,223,343	110,766,771	734,820	361,249	50,832,856	10,998,810	350,066,093
-	-	-	-	-	1,241,916	-	2,471,876
152,462,979	6,223,315	110,776,180	734,756	111,317	49,590,940	9,144,052	343,150,111
-	-	-	-	-	-	1,703,700	4,394,171
152,462,979	6,223,315	110,776,180	734,756	111,317	50,832,856	10,847,752	350,016,158
(6,000)	28	(9,409)	64	249,932	-	151,058	49,935
54,275	2,019	45,796	58	234,184	-	1,147,412	2,053,261
48,275	2,047	36,387	122	484,116	-	1,298,470	2,103,196

Dallas County

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

For the Last Ten Years

	2024	2023	2022	2021
Revenues:				
Property and other county tax	$ 27,488,716	25,255,117	26,595,968	26,472,576
Local option sales tax	7,072,334	7,033,046	6,329,362	5,169,425
Interest and penalty on property tax	240,145	189,552	175,760	297,289
Tax increment financing	44,652	56,382	-	-
Intergovernmental	21,062,637	11,059,685	10,241,634	11,620,934
Licenses and permits	267,186	267,560	244,517	266,751
Charges for service	3,607,759	3,578,700	3,792,320	3,977,088
Use of money and property	3,897,431	1,772,281	(1,405,020)	610,504
Miscellaneous	1,004,448	862,078	517,809	759,797
Total	$ 64,685,308	50,074,401	46,492,350	49,174,364
Expenditures:				
Operating:				
Public safety and legal services	$ 18,749,901	16,569,922	15,002,124	14,294,578
Physical health and social services	2,373,956	2,086,130	1,912,639	1,820,228
Mental health	-	-	3,539,980	2,796,010
County environment and education	5,939,229	3,687,383	3,103,424	2,815,487
Roads and transportation	11,731,068	10,804,891	10,094,620	9,972,709
Governmental services to residents	2,780,303	3,062,568	2,469,348	2,302,761
Administration	4,084,997	3,745,018	2,279,841	2,000,753
Non-program	128,583	16,590	11,325	5,614
Debt service	2,389,652	2,355,090	2,334,126	2,364,460
Capital projects	30,118,156	5,151,735	3,718,435	2,500,292
Total	$ 78,295,845	47,479,327	44,465,862	40,872,892

See accompanying independent auditor’s report.

2020	2019	2018	2017	2016	2015
27,605,073	25,565,244	23,751,147	22,307,584	20,557,779	19,297,992
4,597,863	3,582,443	-	-	-	-
82,693	165,469	151,495	138,110	147,056	146,484
-	-	24,418	102,700	97,087	100,956
9,112,507	9,486,853	8,083,102	9,677,530	9,646,964	10,884,066
186,181	285,211	237,429	216,902	195,827	177,553
3,400,868	3,254,768	3,254,403	3,578,091	3,246,569	2,894,320
1,048,946	1,411,277	803,919	386,429	301,534	315,240
562,057	924,441	1,486,038	855,121	836,507	652,133
46,596,188	44,675,706	37,791,951	37,262,467	35,029,323	34,468,744
13,515,562	12,626,438	11,984,812	10,369,948	9,801,775	9,420,387
1,836,677	2,110,989	2,662,329	3,332,045	3,183,651	3,014,152
3,429,565	4,201,629	2,762,717	2,992,986	2,596,836	3,294,070
3,106,043	4,757,905	4,567,353	3,839,669	3,824,009	3,514,414
9,645,776	9,692,022	7,361,528	6,953,472	6,672,732	6,490,035
2,271,552	2,125,484	2,245,448	2,143,512	1,984,473	2,298,557
1,965,694	1,979,347	1,792,648	1,596,818	1,670,842	1,863,375
113,392	45,866	193,051	3,340	14,298	11,249
4,170,805	4,157,321	2,999,604	2,571,032	2,110,476	1,887,573
11,463,307	13,758,352	7,266,688	2,942,981	9,371,884	3,076,076
51,518,373	55,455,353	43,836,178	36,745,803	41,230,976	34,869,888

Dallas County

Schedule of Expenditures of Federal Awards

Year ended June 30, 2024

Grantor/Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Program Expenditures
U.S. Department of Agriculture:			
Passed through Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	2127333	$ 21,107
Passed through Iowa Department of Public Health:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	5883NU14	3,482
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	5884NU14	13,519
			38,108
Passed through Iowa Department of Natural Resources:			
Cooperative Forestry Assistance	10.664	2023 CFGP	1,260
Total U.S. Department of Agriculture			39,368
U.S. Department of the Interior:			
Payments in Lieu of Taxes	15.226	FY24	2,642
U.S. Department of Transportation:			
Passed through Iowa Department of Transportation:			
Highway Planning and Construction	20.205	BROS-C025(113)--8J-25	4,393
Highway Planning and Construction	20.205	NRT-C025(125)--9G-25	591,534
			595,927
Passed through Iowa Department of Public Safety - Governor's Traffic Safety Bureau:			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	PAP 23-402-MOPT, Task 20-00-00	16,660
State and Community Highway Safety	20.600	PAP 402-PT-2024, Task 05-40-22	35,680
National Priority Safety Programs	20.616	PAP 23-405d-M60T, Task 00-20-00	633
			52,973
Total U.S. Department of Transportation			648,900
U.S. Department of the Treasury:			
COVID-19, CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	ARPA	9,414,844
Passed through Iowa Department of Public Safety:			
COVID-19, CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	20-SLFRF-01	16,121
Total U.S. Department of Treasury			9,430,965
U.S. Department of Health and Human Services:			
Passed through Polk County Board of Health			
Public Health Emergency Preparedness	93.069	5884BT08	57,860
Passed through Iowa Department of Public Health:			
Immunization Cooperative Agreements	93.268	5884I425	18,895
Passed through Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Guardianship Assistance	93.090	2127333	5
Title IV-E Prevention Program	93.472	2127333	747
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	2127333	145
Foster Care Title IV-E	93.658	2127333	4,015
Adoption Assistance	93.659	2127333	2,766
Social Services Block Grant	93.667	2127333	5,740
Children's Health Insurance Program	93.767	2127333	649

Dallas County

Schedule of Expenditures of Federal Awards

Year ended June 30, 2024

Grantor/Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Program Expenditures
U.S. Department of Health and Human Services: (Continued)			
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	2127333	3,599
Medicaid Cluster:			
Medical Assistance Program	93.778	2127333	33,084
Total U.S. Department of Health and Human Services			127,505
U.S. Department of Homeland Security:			
Iowa Department of Homeland Security and Emergency Management Division:			
Hazard Mitigation Grant	97.039	HSGP-20-31-01	165,559
Total U.S. Department of Homeland Security			165,559
Total			$ 10,414,939

Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Dallas County under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Dallas County, it is not intended to and does not present the financial position, changes in financial position or cash flows of Dallas County.

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

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

See accompanying independent auditor's report.

OFFICE OF AUDITOR OF STATE

STATE OF IOWA

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Auditor of State

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

To the Officials of Dallas County:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Dallas County, Iowa, as of and for the year ended June 30, 2024, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 6, 2025.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We identified certain deficiencies in internal control, described in Part II of the accompanying Schedule of Findings and Questioned Costs as items 2024-001 through 2024-004 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Comments involving statutory and other legal matters about Dallas County's operations for the year ended June 30, 2024 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of Dallas County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Dallas County's Responses to Findings

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

Purpose of this Report

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

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

Brian R. Brustkern, CPA
Deputy Auditor of State

March 6, 2025

Dallas County

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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

To the Officials of Dallas County:

Report on Compliance for Each Major Federal Program

Opinion on each Major Federal Program

We have audited Dallas County, Iowa's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on Dallas County's major federal program for the year ended June 30, 2024. Dallas County's major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Dallas County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Dallas County's compliance with the compliance requirements referred to above and performing other such procedures as we considered necessary in the circumstances.

- Obtain an understanding of Dallas County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Dallas County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Brian R. Brustkern, CPA
Deputy Auditor of State

March 6, 2025

Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2024

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

(a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.

(b) Material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.

(c) The audit did not disclose any noncompliance which is material to the financial statements.

(d) No material weaknesses in internal control over the major program were noted.

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

(f) The audit did not disclose audit findings which are required to be reported in accordance with the Uniform Guidance, Section 200.516.

(g) The major program was Assistance Listing Number 21.027 – COVID-19, CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS.

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

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

<u>Part II: Findings Related to the Financial Statements</u>:

INTERNAL CONTROL DEFICIENCIES:

2024-001 <u>Segregation of Duties – County Recorder</u>

<u>Criteria</u> – 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.

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

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

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

(3) Bank accounts were not reconciled by an individual who does not sign checks, handle or record cash. Bank reconciliations were not reviewed periodically by an independent person for propriety. In addition, monthly reconciliations were not performed for seven months during the fiscal year.

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

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

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

Response – We will review procedures in order to segregate duties as much as possible with current staff, however, our staff count is lower than it's been in years. We have layers of checks and balances in recording, indexing, proofing and reconciling daily and monthly. We will seek a review of the monthly reconciliation by an independent third party associated with the county.

Conclusion – Response accepted.

2024-002 Segregation of Duties – County Sheriff

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

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

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

(2) Generally, one individual may have control over disbursement claims processing, check writing, check signing and final approval.

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

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

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

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

Conclusion – Response accepted.

2024-003 Segregation of Duties – Conservation Foundation

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

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

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

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

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

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

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

2024-004 Financial Reporting

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

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

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

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

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

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

Conclusion – Response accepted.

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCY:

No matters were noted.

Part IV: Other Findings Related to Required Statutory Reporting:

2024-A Certified Budget – During the year ended June 30, 2024, disbursements exceeded the amount budgeted in the administration and capital projects function. Disbursements also exceeded the amount budgeted in the capital projects function prior to the budget amendment. In addition, disbursements in certain departments exceeded the amount appropriated prior to approval of an appropriation amendment and at year end.

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

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

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

Conclusion – Response accepted.

2024-B Questionable Expenditures – In accordance with Article III, Section 31 of the Iowa Constitution and an Attorney General's Opinion dated April 25, 1979, public funds may only be spent for public benefit. Certain expenditures were noted which we believe may not meet the requirements of public purpose as defined in the Attorney General's opinion since the public benefits to be derived have not been clearly documented. These expenditures are detailed as follows:

Paid to	Purpose	Amount
Fidlar Technologies	Duplicate accounting system	$ 74,043
Wells Fargo Business Card		
Amazon	Prime membership	499
Amazon	Prime membership	139
Amazon	Firepits for employee recognition event	143
Culligan Water	Drinking water for employees	54
Fleet Farm	Coffee for employees	16
Hy-Vee, Inc.	Food for employee retirement party	68

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

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

County Recorder Response – After we received notice from our last audit that Culligan is not an approved expense, we immediately stopped using county dollars. This charge is still left over from before we found out that it was not an approved expense. Switching to Fidlar as our recording system was a must as Cott left us without a system and not recording documents for almost three weeks in Dec2022/Jan 2023. We cannot have a recording system without a disaster recovery plan. Halting the real estate market in Dallas County because our recording software is down, is not an option.

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

Conclusion – Response acknowledged. The County entered into an agreement with Cott Systems on March 22, 2021, to provide accounting and record management services for the County Recorder. The County did not pursue a "Material Breach by Cott" as defined in the contract. The Contract does not expire until June 30, 2026. The County Recorder signed a one-year contract with Fidlar in June 2023. The Board of Supervisors minutes dated June 20, 2023, state, in part, "Board is disappointed in the process that was taken. County has three years remaining on the current provider contract."

2024-C Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

2024-D Business Transactions – No business transactions between the County and County officials or employees were noted.

2024-E Restricted Donor Activity – No transactions were noted between the County, County officials or County employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

2024-F Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

2024-G Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

2024-H Deposits and Investments – No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.

2024-I Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

2024-J Annual Urban Renewal Report – The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1 and no exceptions were noted.

2024-K Tax Increment Financing – Dallas County properly completed the Tax Increment Forms 1, 2, or 3 as appropriate, to certify Tax Increment Financing (TIF) obligations (debt), to decertify TIF debt or to request a reduced distribution of TIF.

2024-L County Attorney's Salary – The County Attorney's salary was over the statutorily allowed maximum for fiscal year 2024. Chapter 331.752(5) of the Code of Iowa states in part, "Except in counties having a population of more than two hundred thousand, the annual salary of a full-time County Attorney shall be an amount which is between forty-five percent and one hundred percent of the annual salary received by a District Court Judge." The annual salary of a District Court Judge in fiscal year 2024 was $158,056 while the Dallas County Attorney's salary was $171,930.

Also, one Assistant County Attorney's salary was over the statutorily allowed maximum for fiscal year 2024. Chapter 331.757(2) of the Code of Iowa states in part, "Except in counties having a population of more than two hundred thousand, the annual salary of an assistant county attorney shall not exceed eighty-five percent of the maximum annual salary of a full-time county attorney." In fiscal year 2024, the maximum annual salary for an assistant county attorney in a county with a population less than two hundred thousand was $134,348 while one assistant county attorney had a salary of $146,120

Recommendation – The County should change the salaries of the County Attorney to be in line with the Code of Iowa.

Response – The assertions concerning limitations of the salaries of the County Attorney and Assistant County Attorney are based on we believe are incorrect statutory interpretation of *Code of Iowa* §331.752(5) (which is not cited in its full text above and taken out of context in light of other statutory provisions).

The full text reads as follows:

"5. The resolution ***changing the status*** of a county attorney shall state the ***initial annual salary*** to be paid to the county attorney when the full-time or part-time status is effective. The annual salary specified in the resolution shall remain effective until changed as provided in §331.907. Except in counties having a population of more than two hundred thousand, the annual salary of a full-time county attorney shall be an amount which is between forty-five percent and one hundred percent of the annual salary received by a district court judge."

When read in its full context, this section only applies when a resolution by the Board of Supervisors is approved in which the full-time or part-time status of the County is changed and sets an initial salary. If the Board of Supervisors is not changing the full or part time status of the County Attorney position, the salary threshold cap in *Code of Iowa* §331.752 does not apply. Beyond the plain language of this subsection of the *Code of Iowa*, this interpretation is further supported by the fact that similar language limiting a County Attorney's salary is not present anywhere in *Code of Iowa* §331.907 that governs the ongoing compensation of all elected county officials. That section requires a county compensation board meet annually and "review the compensation paid to comparable officers in other counties of this state, other states, private enterprise, and the federal government" and then recommends a compensation schedule to the Board of Supervisors. §331.907 does not limit subsequent compensation of part-time or full-time county attorneys and only subjects the compensation to an annual review process by the compensation commission.

This analysis of *Code of Iowa* §331.752(5) is supported by the Iowa County Attorney's Association and the Iowa State Association of Counties.

<u>Conclusion</u> – Response acknowledged. While the County has obtained a legal opinion from the Iowa County Attorney Association to support the salary of the county attorney, the Association's interpretation of Iowa Code 331.752 is not supported by the Legislative Services Agency, previous opinions of the Attorney General's Office or a plain text reading of the statute. A 2003 Attorney General Opinion states that salary of a district court judge is used as the basis for county attorney salaries and notes "the annual salary of a full-time county attorney shall be an amount which is between forty-five and one hundred percent of the annual salary received by a district court judge." 2003 WL 22149395, at *1 (Iowa A.G. Sept. 17, 2003). The law has not been changed since this opinion was issued. A bill currently pending before the 2025 Iowa legislature (HF 37) would remove the district judge comparison from the county attorney salary statute. It is worth noting that in the description of HF37, the Legislative Services Agencies states "Current law requires counties to set a county attorney's salary between 45 and 100 percent of a district court judge's salary." As a result, it is unlikely that the Association's interpretation of how much its members can be paid would persuade a district court. The County should monitor the progress of HF37 and accordingly conform salary payments to current law.

2024-M <u>Financial Condition</u> – The capital projects fund had a deficit fund balance of $738,708 and the custodial funds, Heat of Iowa Mental Health Region and County Rural Office of Social Services Mental Health Region had a deficit fund balance of $599,835 and $116,106, respectively at June 30, 2024.

<u>Recommendation</u> – The County should investigate alternatives to eliminate the deficits and return the funds to a sound financial position.

<u>Response</u> – On a cash basis the County was in compliance. To ensure compliance on accrual basis, the County will transfer sufficient funds for project expenditures to ensure the capital project fund is not negative in the future. The County will work with the Mental Health Regions to try to eliminate the deficit fund balances in the future year.

<u>Conclusion</u> – Response accepted.

Staff

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