

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

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**NEWS RELEASE**

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FOR RELEASE

June 24, 2016

515/281-5834

Auditor of State Mary Mosiman today released an audit report on Dallas County, Iowa.

The County had local tax revenue of \$163,546,769 for the year ended June 30, 2015, which included \$6,772,554 in tax credits from the state. The County forwarded \$143,399,087 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$20,147,682 of the local tax revenue to finance County operations, a 4.6% increase over the prior year. Other revenues included charges for service of \$7,145,273, operating grants, contributions and restricted interest of \$6,883,934, capital grants, contributions and restricted interest of \$4,398,473, tax increment financing of \$104,225, unrestricted investment earnings of \$131,694, gain on disposition of capital assets of \$395,311 and other general revenues of \$210,116.

Expenses for County operations for the year ended June 30, 2015 totaled \$32,145,665, a 5.4% increase over the prior year. Expenses included \$8,712,725 for public safety and legal services, \$8,337,760 for roads and transportation and \$3,858,986 for county environment and education.

A copy of the audit report is available for review in the County Auditor's office, in the Office of Auditor of State and on the Auditor of State's web site at <https://auditor.iowa.gov/reports/1510-0025-B00F>.

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**DALLAS COUNTY**

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

**JUNE 30, 2015**

## Table of Contents

		<u>Page</u>
Officials		4
Independent Auditor’s Report		5-7
Management’s Discussion and Analysis		9-16
Basic Financial Statements:	<u>Exhibit</u>	
Government-wide Financial Statements:		
Statement of Net Position	A	18
Statement of Activities	B	19
Governmental Fund Financial Statements:		
Balance Sheet	C	20-23
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	D	25
Statement of Revenues, Expenditures and Changes in Fund Balances	E	26-27
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	F	28
Proprietary Fund Financial Statements:		
Statement of Net Position	G	29
Statement of Revenues, Expenses and Changes in Fund Net Position	H	30
Statement of Cash Flows	I	31
Fiduciary Fund Financial Statement:		
Statement of Fiduciary Assets and Liabilities – Agency Funds	J	32
Notes to Financial Statements		33-54
Required Supplementary Information:		
Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances – Budget and Actual (Cash Basis) – All Governmental Funds		56-57
Budget to GAAP Reconciliation		58
Notes to Required Supplementary Information – Budgetary Reporting		59
Schedule of the County’s Proportionate Share of the Net Pension Liability		60
Schedule of County Contributions		62-63
Notes to Required Supplementary Information – Pension Liability		64-65
Schedule of Funding Progress for the Retiree Health Plan		66
Supplementary Information:	<u>Schedule</u>	
Nonmajor Governmental Funds:		
Combining Balance Sheet	1	68-69
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	2	70-71
Internal Service Funds:		
Combining Schedule of Net Position	3	73
Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	4	74
Combining Schedule of Cash Flows	5	75
Agency Funds:		
Combining Schedule of Fiduciary Assets and Liabilities	6	76-77
Combining Schedule of Changes in Fiduciary Assets and Liabilities	7	78-79
Schedule of Revenues by Source and Expenditures by Function – All Governmental Funds	8	80-81
Schedule of Expenditures of Federal Awards	9	82-83

Table of Contents  
(Continued)

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 <u>Government Auditing Standards</u>	85-86
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by OMB Circular A-133	89-90
Schedule of Findings and Questioned Costs	91-98
Staff	99

**Dallas County**

**Officials**

**(Before January 2015)**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Kim Chapman	Board of Supervisors	Jan 2015
Brad Golightly	Board of Supervisors	Jan 2015
Mark Hanson	Board of Supervisors	Jan 2017
Gene Krumm	County Auditor	Jan 2017
Darrell Bauman	County Treasurer	Jan 2015
Chad C. Airhart	County Recorder	Jan 2015
Chad Leonard	County Sheriff	Jan 2017
Wayne M. Reisetter	County Attorney	Jan 2015
Steve C. Helm	County Assessor	Jan 2016

**(After January 2015)**

Mark Hanson	Board of Supervisors	Jan 2017
Kim Chapman	Board of Supervisors	Jan 2019
Brad Golightly	Board of Supervisors	Jan 2019
Gene Krumm	County Auditor	Jan 2017
Mitchell Hambleton	County Treasurer	Jan 2019
Chad C. Airhart	County Recorder	Jan 2019
Chad Leonard	County Sheriff	Jan 2017
Wayne M. Reisetter	County Attorney	Jan 2019
Steve C. Helm	County Assessor	Jan 2016



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Mary Mosiman, CPA  
Auditor of State

Independent Auditor's Report

To the Officials of Dallas County:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Dallas County, Iowa, as of and for the year ended June 30, 2015, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Dallas County as of June 30, 2015, and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

## Emphasis of a Matter

As discussed in Note 21, Dallas County adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27. Our opinions are not modified with respect to this matter.

## Other Matters

### *Required Supplementary Information*

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County Contributions and the Schedule of Funding Progress for the Retiree Health Plan on pages 9 through 16 and 56 through 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which 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 U.S. generally accepted auditing standards, 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, 2014 (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 U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary 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. Such 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 U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 7, 2016 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 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 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.

  
MARY MOSIMAN, CPA  
Auditor of State

  
WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

June 7, 2016



**Dallas County**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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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, 2015. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

### 2015 FINANCIAL HIGHLIGHTS

- The County implemented Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27, during fiscal year 2015. The beginning net position for governmental activities was restated by \$6,842,501 to retroactively report the net pension liability as of July 1, 2014 and deferred outflows of resources related to contributions made after June 30, 2013 but prior to July 1, 2014. Pension expense for fiscal year 2014 and the net pension liability, deferred outflows of resources and deferred inflows of resources at June 30, 2014 were not restated because the information needed to restate those amounts was not available.
- Revenues of the County's governmental activities increased approximately \$5,677,000 from fiscal year 2014 to fiscal year 2015, or 16.8%. Capital grants, contributions and restricted interest increased approximately \$4,145,000 while charges for service increased approximately \$552,000 and operating grants, contributions and restricted interest increased approximately \$114,000.
- Program expenses of the County's governmental activities for fiscal year 2015 increased approximately \$1,627,000, or 5.3%, over fiscal year 2014.
- The County's net position at June 30, 2015 increased 9.4%, or approximately \$7.3 million, from the restated June 30, 2014 balance.

### USING THIS ANNUAL REPORT

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

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

The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of 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 (Agency 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 and related contributions, as well as presenting the Schedule of Funding Progress for the Retiree Health Plan.

Supplementary Information provides detailed information about the nonmajor governmental and the individual Internal Service and Agency 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 information on all of Dallas County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as "net position". Over time, increases or decreases in the County's net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

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

### *Fund Financial Statements*

The County has three kinds of funds:

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

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

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

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

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

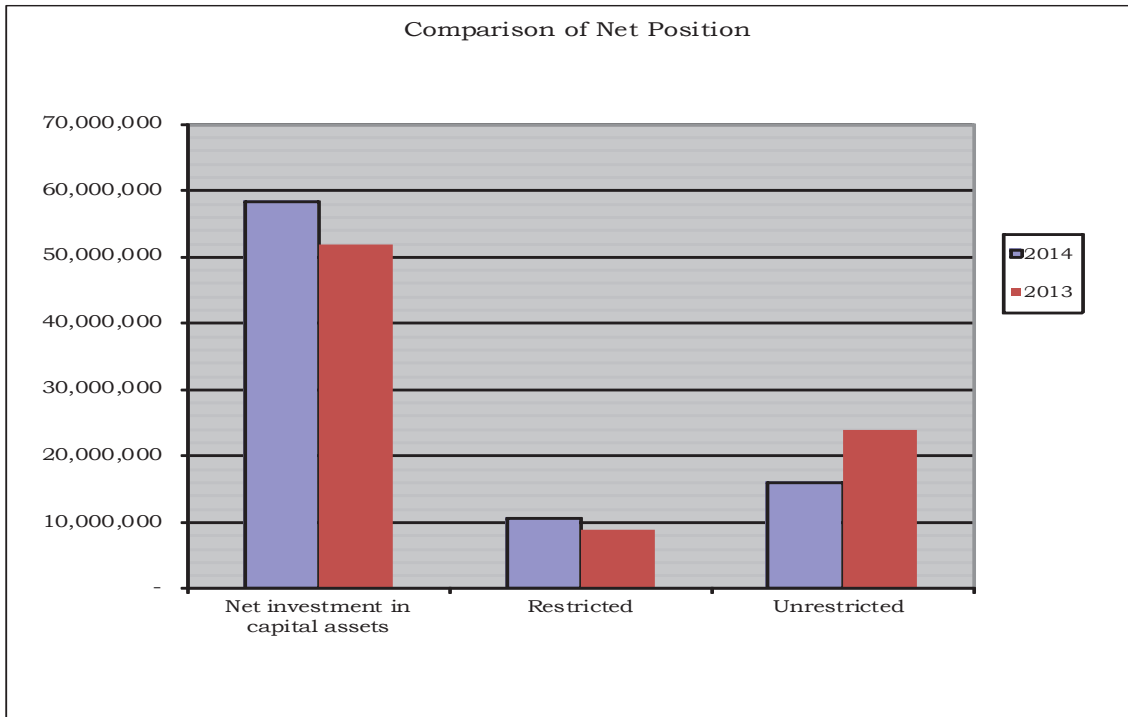
The required financial statement for fiduciary funds is a Statement of Fiduciary Assets and Liabilities.

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

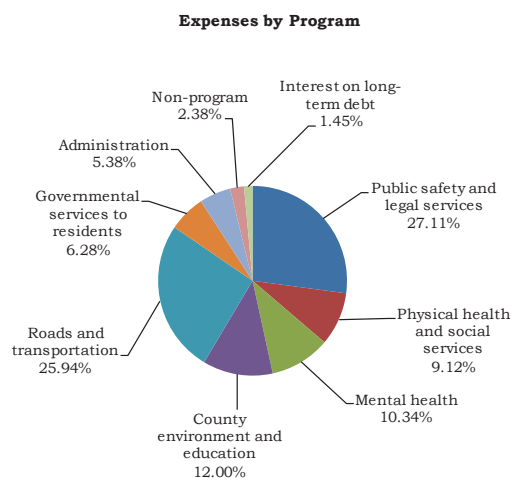
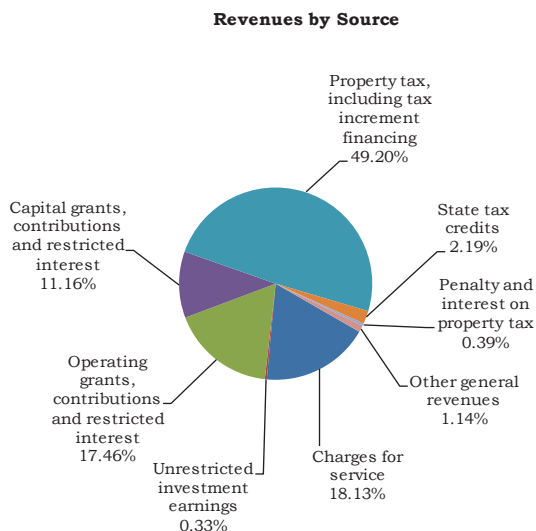
As noted earlier, net position may serve over time as a useful indicator of financial position. The analysis that follows focuses on the changes in the net position of governmental activities.

Net Position of Governmental Activities		
	June 30,	
	2015	2014 (Not Restated)
Current and other assets	\$ 56,671,699	54,023,386
Capital assets	68,231,522	63,136,449
Total assets	124,903,221	117,159,835
Deferred outflows of resources	1,476,828	-
Long-term liabilities	15,934,078	12,567,639
Other liabilities	2,384,480	1,775,166
Total liabilities	18,318,558	14,342,805
Deferred inflows of resources	23,198,919	18,383,000
Net position:		
Net investment in capital assets	58,240,524	51,710,459
Restricted	10,662,535	8,868,842
Unrestricted	15,959,513	23,854,729
Total net position	\$ 84,862,572	84,434,030



Prior to restatement, Dallas County’s combined net position (which is the County’s bottom line) increased \$428,542, a less than 1% 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. Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they may be used. 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 \$23,855,000 at June 30, 2014 to approximately \$15,960,000 at the end of this year, a decrease of 33.1%, primarily due to reporting the net pension liability as of July 1, 2014.

Changes in Net Position of Governmental Activities		
	Year ended June 30,	
	2015	2014 (Not Restated)
Revenues:		
Program revenues:		
Charges for service	\$ 7,145,273	6,593,203
Operating grants, contributions and restricted interest	6,883,934	6,769,530
Capital grants, contributions and restricted interest	4,398,473	253,400
General revenues:		
Property tax, including tax increment financing	19,389,804	18,865,196
Penalty and interest on property tax	155,021	162,449
State tax credits	862,103	498,437
Unrestricted investment earnings	131,694	123,790
Other general revenues	450,406	473,380
Total revenues	39,416,708	33,739,385
Program expenses:		
Public safety and legal services	8,712,725	8,355,135
Physical health and social services	2,932,058	2,812,854
Mental health	3,325,253	2,398,868
County environment and education	3,858,986	3,495,388
Roads and transportation	8,337,760	9,003,836
Governmental services to residents	2,018,091	1,742,770
Administration	1,729,338	1,556,028
Non-program	765,036	626,974
Interest on long-term debt	466,418	526,709
Total expenses	32,145,665	30,518,562
Change in net position	7,271,043	3,220,823
Net position beginning of year, as restated	77,591,529	81,207,207
Net position end of year	\$ 84,862,572	84,428,030



For the year ended June 30, 2015, governmental activities revenues totaled \$39,416,708, an increase of \$5,677,323 over fiscal year 2014. Property and other county tax revenue, the County's largest revenue source, increased approximately \$525,000, while capital grants, contributions and restricted interest increased approximately \$4,145,000, primarily due to road construction funded through the Iowa Department of Transportation in the current year.

The cost of all governmental activities this year was \$32,145,665 compared to \$30,518,562 last year, an increase of \$1,627,103. However, as shown in the Statement of Activities on page 19, the amount taxpayers ultimately financed for these activities was approximately \$13.7 million because some of the cost was paid by those directly benefited from the programs (approximately \$7.1 million) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately \$11.3 million).

Dallas County's county-wide property tax levy rates decreased from \$7.82452 to \$7.77607 per \$1,000 of taxable valuation for fiscal year 2015. The general basic levy rate for fiscal year 2015 decreased from \$3.16371 to \$3.13461 per \$1,000 of taxable valuation. The rural tax levy rate for fiscal year 2015 remained the same at \$3.95 per \$1,000 of taxable valuation. The mental health levy decreased from \$0.38589 to \$0.37137 per \$1,000 of taxable valuation. The debt service levy decreased from \$0.32492 to \$0.32009 per \$1,000 of taxable valuation. The total county-wide taxable property valuation increased approximately \$154,151,000 over the prior year.

#### **MAJOR FUND ANALYSIS AND HIGHLIGHTS**

As Dallas County completed the year, its governmental funds reported a combined fund balance of \$29,479,947, which is less than the fiscal year 2014 combined fund balance of \$29,789,576.

The General Fund's ending fund balance decreased \$275,467 to \$11,361,449. Of the ending fund balance, approximately \$396,000 is committed for County conservation and approximately \$1.7 million is committed for other County purposes. The general basic levy rate decreased from \$3.16371 to \$3.13461 per \$1,000 of taxable valuation and the general supplemental levy rate remained at zero for fiscal year 2015.

Dallas County has continued to look for ways to effectively manage the cost of mental health services. Special Revenue, Mental Health Fund revenues totaled approximately \$3,633,000, an increase of 5.0% over the prior year. Expenditures totaled approximately \$2,456,000, an increase of 61.3% over the prior year. The increase is primarily due to mental health regionalization and distribution of startup costs to the mental health region. The Mental Health Fund balance at year end increased approximately \$1,178,000 over the prior year to \$2,643,511 at June 30, 2015.

The Special Revenue, Rural Services Fund ended fiscal year 2015 with a \$453,172 balance, an increase of \$38,579 over the prior year ending balance. The rural services tax levy rate remained unchanged at \$3.95 per \$1,000 of taxable valuation while property valuations increased approximately 1.4%. 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 2015 with a balance of \$3,635,045, an 8.2% increase compared to the fiscal year 2014 balance of \$3,358,324. Of the ending fund balance, \$590,345 is non-spendable and \$3,044,700 is restricted for road purposes. Expenditures increased .5%, or approximately \$39,000, over the prior year.

The Capital Projects Fund ended fiscal year 2015 with a fund balance of \$8,373,838 compared to the fiscal year 2014 balance of \$10,221,991, an 18% decrease due to costs associated with ongoing projects.

## BUDGETARY HIGHLIGHTS

Over the course of fiscal year 2015, Dallas County amended the operating budget two times. The first amendment was made in January 2015 to increase budgeted disbursements approximately \$2,793,000 and increase budgeted receipts for conservation grants for construction projects by approximately \$586,000. Budgeted disbursements increased \$1,146,337 for the Sheriff, County Attorney, Courts and EMS for projects carried forward from fiscal year 2014, \$65,035 for changes in expenses for Public Health and Environmental Health, a \$184,062 increase in mental health services, a \$411,690 increase in county environment and education due to the transfer of the revolving loan fund, \$274,153 carried over from fiscal year 2014 for elections and \$803,421 for projects assigned from fiscal year 2014. In addition, the roads and transportation function budget was decreased \$198,898 due to a decrease in road clearing costs. The second amendment was made in May 2015 to increase budgeted disbursements approximately \$2,986,000 for mental health region disbursements and conservation capital projects.

Actual disbursements for the year totaled \$34,290,196, which was \$5,400,166 under budgeted disbursements. Capital projects disbursements were approximately \$2.1 million under budget because the Human Services campus remodel and certain bike trail projects were not completed as planned with an additional \$940,000 and \$640,000, respectively, carried forward to fiscal year 2016. Public safety and legal services disbursements were approximately \$827,000 under budget due to carrying forward capital equipment purchases. Actual net receipts for fiscal year 2015 were \$34,192,409, which was approximately \$978,000 more than budgeted due, in part, to the timing of reimbursable grant receipts.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2015, Dallas County had \$68,231,522 invested in a variety of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This compares to \$63,136,449 at the end of fiscal year 2014. The County's net capital assets increased \$5,095,073, or about 8.07%, over the prior year.

Capital Assets of Governmental Activities at Year End		
(Expressed in Thousands)		
	June 30,	
	2015	2014
Land	\$ 6,115,563	6,115,563
Intangibles, road network	1,000,456	650,456
Construction in progress	6,412,849	322,785
Buildings and improvements	19,592,714	20,005,250
Equipment and vehicles	4,708,054	4,317,107
Intangibles	131,877	63,634
Infrastructure	30,270,009	31,661,654
Total	\$ 68,231,522	63,136,449
This year's major additions included:		
Infrastructure and right of way	\$	4,156,852
Human services building renovation		1,968,340
Motorgraders		521,795
Election equipment		309,170
Ambulance		300,634
Dump truck and Secondary Roads equipment		224,166
Sheriff vehicles		186,429
Sheriff video software		83,725
Total	\$	7,751,111



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

**Long-Term Debt**

At June 30, 2015, Dallas County had \$10,076,514 of outstanding debt versus \$11,455,356 last year, a net decrease of \$1,378,842.

Outstanding Debt of Governmental Activities at Year-End (Expressed in Thousands)		
	June 30,	
	2015	2014
Capital lease purchase agreement	\$ 30,998	60,990
General obligation bonds	7,840,000	8,795,000
General obligation capital loan notes	2,120,000	2,570,000
Drainage district warrants	85,516	29,366
Total	\$ 10,076,514	11,455,356

The net change is a result of scheduled payments on the County's general obligation bonds and notes and capital lease purchase agreement and an increase in drainage district warrants. Article XI, Section 3 of the Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the actual value of all taxable property within the County's corporate limits. Dallas County's outstanding general obligation debt is significantly below its constitutional debt limit (\$7,415,552,036 X .05 = \$370,777,602). Additional information about the County's long-term debt is presented in Note 7 to the financial statements.

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

Dallas County's elected and appointed officials and citizens considered numerous issues when setting the fiscal year 2016 budget, tax rates and the fees charged for various County activities. One of those factors is the economy. In an ongoing effort to maintain County services without raising tax levies, the Dallas County Board of Supervisors is committed to limiting disbursement increases and using any excess fund balances to provide services.

Dallas County is the fastest growing county in Iowa. It was ranked 17th in the nation for growth between 2013 and 2014 with a 3.6% increase in population. The unemployment rate in Dallas County stands at 3% as of June 30, 2015, compared to last year's rate of 4% and the State average of 3.7% and the national average of 5.3%. Budgeted disbursements for the fiscal year 2016 operating budget are approximately \$38 million, an increase of about \$3 million in spending from the prior year's actual disbursements. The increase is due, in part, to remodeling the former county care facility for human services offices and a bike trail project. The budget estimates a total ending fund balance of approximately \$22.5 million at the close of fiscal year 2016.

**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, 801 Court Street, Adel, Iowa 50003.

## **Basic Financial Statements**

**Exhibit A**

Dallas County  
Statement of Net Position  
June 30, 2015

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash, cash equivalents and pooled investments	\$ 34,141,695
Receivables:	
Property tax:	
Delinquent	12,782
Succeeding year	20,174,000
Interest and penalty on property tax	6,453
Succeeding year tax increment financing	102,000
Accounts	475,230
Accrued interest	12,911
Drainage assessments	81,815
Due from other governments	980,654
Inventories	559,868
Prepaid insurance	124,291
Capital assets, net of accumulated depreciation/amortization	<u>68,231,522</u>
<b>Total assets</b>	<u>124,903,221</u>
<b>Deferred Outflows of Resources</b>	
Pension related deferred outflows	<u>1,476,828</u>
<b>Liabilities</b>	
Accounts payable	1,627,318
Accrued interest payable	36,450
Salaries and benefits payable	593,847
Due to other governments	126,865
Long-term liabilities:	
Portion due or payable within one year:	
Capital lease purchase agreement	30,998
General obligation bonds	1,085,000
General obligation capital loan notes	475,000
Drainage district warrants	85,516
Compensated absences	478,372
Portion due or payable after one year:	
General obligation bonds	6,755,000
General obligation capital loan notes	1,645,000
Compensated absences	413,684
Net pension liability	4,742,008
Net OPEB liability	<u>223,500</u>
<b>Total liabilities</b>	<u>18,318,558</u>
<b>Deferred Inflows of Resources:</b>	
Unavailable property tax revenue	20,174,000
Unavailable tax increment financing revenue	102,000
Pension related deferred inflows	<u>2,922,919</u>
<b>Total deferred inflows of resources</b>	<u>23,198,919</u>
<b>Net Position</b>	
Net investment in capital assets	58,240,524
Restricted for:	
Supplemental levy purposes	741,918
Mental health	2,597,670
Rural services purposes	454,924
Secondary roads purposes	3,268,998
Drainage district purposes	104,938
Debt service	205,133
Capital projects	334,654
Other purposes	2,954,300
Unrestricted	<u>15,959,513</u>
<b>Total net position</b>	<u>\$ 84,862,572</u>

See notes to financial statements.

Dallas County  
Statement of Activities  
Year ended June 30, 2015

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
<b>Functions/Programs:</b>					
Governmental activities:					
Public safety and legal services	\$ 8,712,725	1,612,626	267,454	-	(6,832,645)
Physical health and social services	2,932,058	1,439,963	666,847	-	(825,248)
Mental health	3,325,253	932,579	2,052,666	-	(340,008)
County environment and education	3,858,986	250,025	187,598	822,850	(2,598,513)
Roads and transportation	8,337,760	88,054	3,587,487	3,575,623	(1,086,596)
Governmental services to residents	2,018,091	1,793,097	3,842	-	(221,152)
Administration	1,729,338	77,436	1,723	-	(1,650,179)
Non-program	765,036	951,493	116,317	-	302,774
Interest on long-term debt	466,418	-	-	-	(466,418)
<b>Total</b>	<b>\$ 32,145,665</b>	<b>7,145,273</b>	<b>6,883,934</b>	<b>4,398,473</b>	<b>(13,717,985)</b>
<b>General Revenues:</b>					
Property and other county tax levied for:					
General purposes					17,833,333
Debt service					1,452,246
Tax increment financing					104,225
Penalty and interest on property tax					155,021
State tax credits					862,103
Unrestricted investment earnings					131,694
Gain on disposition of capital assets					395,311
Miscellaneous					55,095
<b>Total general revenues</b>					<b>20,989,028</b>
Change in net position					7,271,043
Net position beginning of year, as restated					77,591,529
Net position end of year					<b>\$ 84,862,572</b>

See notes to financial statements.

Dallas County  
Balance Sheet  
Governmental Funds

June 30, 2015

	General	Mental Health	Special Rural Services
<b>Assets</b>			
Cash, cash equivalents and pooled investments:			
County Treasurer	\$ 11,514,145	2,735,294	456,468
Conservation Foundation	-	-	-
Receivables:			
Property tax:			
Delinquent	8,883	970	1,866
Succeeding year	13,279,000	1,449,000	3,799,000
Interest and penalty on property tax	6,453	-	-
Succeeding year tax increment financing	-	-	-
Accounts, net of allowance for doubtful ambulance accounts of \$61,919	432,952	20,883	-
Accrued interest	12,218	-	-
Drainage assessments	-	-	-
Due from other funds	20,225	-	-
Due from other governments	612,533	41,633	-
Inventories	-	-	-
Prepaid insurance	93,537	82	-
<b>Total assets</b>	<b>\$ 25,979,946</b>	<b>4,247,862</b>	<b>4,257,334</b>

Revenue			
Secondary Roads	Capital Projects	Nonmajor	Total
3,051,267	8,674,235	2,926,249	29,357,658
-	-	86,000	86,000
-	-	1,063	12,782
-	-	1,647,000	20,174,000
-	-	-	6,453
-	-	102,000	102,000
11,202	-	4,653	469,690
-	-	546	12,764
-	-	81,815	81,815
-	-	-	20,225
326,488	-	-	980,654
559,868	-	-	559,868
30,477	-	-	124,096
3,979,302	8,674,235	4,849,326	51,988,005

(continued on next page)

Dallas County  
Balance Sheet  
Governmental Funds  
(continued)  
June 30, 2015

	Special		
	General	Mental Health	Rural Services
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 271,383	115,608	3,410
Salaries and benefits payable	435,312	7,156	-
Due to other funds	-	20,225	-
Due to other governments	102,134	11,434	-
Total liabilities	808,829	154,423	3,410
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	13,279,000	1,449,000	3,799,000
Succeeding year tax increment financing	-	-	-
Other	530,668	928	1,752
Total deferred inflows of resources	13,809,668	1,449,928	3,800,752
Fund balances:			
Nonspendable:			
Inventories	-	-	-
Prepaid insurance	93,537	82	-
Restricted for:			
Supplemental levy purposes	702,702	-	-
Mental health purposes	-	2,643,429	-
Rural services purposes	-	-	453,172
Secondary roads purposes	-	-	-
Drainage district purposes	-	-	-
Conservation land acquisition/capital improvements	131,370	-	-
Debt service	-	-	-
Capital projects	-	-	-
Forfeitures	-	-	-
Wetland bank maintenance	-	-	-
Other purposes	156,821	-	-
Committed for:			
County conservation	396,324	-	-
Public health	1,168,153	-	-
County farm	278,266	-	-
County care facility	176,346	-	-
Jail commissary	109,394	-	-
Assigned for:			
Capital projects	-	-	-
Departmental purposes	567,426	-	-
Equipment	305,525	-	-
Unassigned	7,275,585	-	-
Total fund balances	11,361,449	2,643,511	453,172
<b>Total liabilities, deferred inflows of resources and fund balances</b>	\$ 25,979,946	4,247,862	4,257,334

See notes to financial statements.

Revenue			
Secondary Roads	Capital Projects	Nonmajor	Total
229,638	300,397	4,236	924,672
111,460	-	-	553,928
-	-	-	20,225
3,159	-	-	116,727
344,257	300,397	4,236	1,615,552
-	-	1,647,000	20,174,000
-	-	102,000	102,000
-	-	83,158	616,506
-	-	1,832,158	20,892,506
559,868	-	-	559,868
30,477	-	-	124,096
-	-	-	702,702
-	-	-	2,643,429
-	-	-	453,172
3,044,700	-	-	3,044,700
-	-	108,639	108,639
-	-	999,662	1,131,032
-	-	240,562	240,562
-	334,654	-	334,654
-	-	311,796	311,796
-	-	1,085,003	1,085,003
-	-	269,206	426,027
-	-	-	396,324
-	-	-	1,168,153
-	-	-	278,266
-	-	-	176,346
-	-	-	109,394
-	8,039,184	-	8,039,184
-	-	-	567,426
-	-	-	305,525
-	-	(1,936)	7,273,649
3,635,045	8,373,838	3,012,932	29,479,947
3,979,302	8,674,235	4,849,326	51,988,005



**Dallas County**

Dallas County

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

June 30, 2015

**Total governmental fund balances (page 23)** \$ 29,479,947

**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 \$108,805,644 and the accumulated depreciation/amortization is \$41,028,108. 67,777,536

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. 616,506

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, as follows:

Capital assets of \$1,126,507, less accumulated depreciation/amortization of \$672,521	\$ 453,986	
Compensated absences	(58,232)	
Pension related deferred outflows of resources	93,313	
Pension related deferred inflows of resources	(175,375)	
Net pension liability	(284,521)	
Net OPEB liability	(12,025)	
Other net position	3,951,216	3,968,362

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

Deferred outflows of resources	1,383,515	
Deferred inflows of resources	(2,747,544)	(1,364,029)

Long-term liabilities, including general obligation bonds payable, general obligation capital loan notes payable, capital lease purchase agreement payable, drainage district warrants payable, compensated absences payable, net pension liability, other postemployment benefits payable and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (15,615,750)

**Net position of governmental activities (page 18)** \$ 84,862,572

See notes to financial statements.

Dallas County

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

Year ended June 30, 2015

	General	Mental Health	Special Rural Services
<b>Revenues:</b>			
Property and other county tax	\$ 12,543,863	1,485,998	3,816,026
Interest and penalty on property tax	146,484	-	-
Tax increment financing	-	-	-
Intergovernmental	4,070,370	2,122,234	142,136
Licenses and permits	177,303	-	-
Charges for service	2,833,127	-	-
Use of money and property	241,647	-	-
Miscellaneous	432,962	25,072	-
Total revenues	20,445,756	3,633,304	3,958,162
<b>Expenditures:</b>			
<b>Operating:</b>			
Public safety and legal services	9,301,989	-	-
Physical health and social services	3,014,152	-	-
Mental health	838,419	2,455,651	-
County environment and education	2,695,408	-	259,017
Roads and transportation	-	-	51,219
Governmental services to residents	2,293,687	-	-
Administration	1,863,375	-	-
Non-program	11,249	-	-
Debt service	174,000	-	-
Capital projects	302	-	-
Total expenditures	20,192,581	2,455,651	310,236
Excess (deficiency) of revenues over (under) expenditures	253,175	1,177,653	3,647,926
<b>Other financing sources (uses):</b>			
Sale of capital assets	11,200	-	-
Transfers in	-	-	-
Transfers out	(539,842)	-	(3,609,347)
Drainage warrants/drainage improvement certificates issued	-	-	-
Total other financing sources (uses)	(528,642)	-	(3,609,347)
Change in fund balances	(275,467)	1,177,653	38,579
Fund balances beginning of year	11,636,916	1,465,858	414,593
Fund balances end of year	\$ 11,361,449	2,643,511	453,172

See notes to financial statements.

Revenue			
Secondary Roads	Capital Projects	Nonmajor	Total
-	-	1,452,105	19,297,992
-	-	-	146,484
-	-	100,956	100,956
3,607,097	21,791	920,438	10,884,066
250	-	-	177,553
-	43,294	17,899	2,894,320
-	-	73,593	315,240
68,194	-	125,905	652,133
3,675,541	65,085	2,690,896	34,468,744
-	-	118,398	9,420,387
-	-	-	3,014,152
-	-	-	3,294,070
-	12,029	547,960	3,514,414
6,438,816	-	-	6,490,035
-	-	4,870	2,298,557
-	-	-	1,863,375
-	-	-	11,249
-	-	1,713,573	1,887,573
1,123,243	1,901,209	51,322	3,076,076
7,562,059	1,913,238	2,436,123	34,869,888
(3,886,518)	(1,848,153)	254,773	(401,144)
14,050	-	-	25,250
4,149,189	-	70,882	4,220,071
-	-	(70,882)	(4,220,071)
-	-	66,265	66,265
4,163,239	-	66,265	91,515
276,721	(1,848,153)	321,038	(309,629)
3,358,324	10,221,991	2,691,894	29,789,576
3,635,045	8,373,838	3,012,932	29,479,947

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, 2015

**Change in fund balances - Total governmental funds (page 27)** \$ (309,629)

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

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

Expenditures for capital assets	\$ 4,692,263	
Capital assets contributed by the Iowa Department of Transportation	3,575,623	
Depreciation/amortization expense	<u>(3,540,120)</u>	4,727,766

In the Statement of Activities, the gain on the disposition of capital assets is reported, whereas the governmental funds reports the proceeds from the disposition as an increase in financial resources. 347,502

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. 187,460

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. Repayments exceeded current year issuances, as follows:

Issued	(66,265)	
Repaid	<u>1,445,107</u>	1,378,842

The current year County IPERS contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position. 1,011,008

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Compensated absences	34,889	
Interest on long-term debt	6,040	
Pension expense	(400,573)	
Other post employment benefits	<u>(26,769)</u>	(386,413)

The Internal Service Funds are used by management to charge the costs of various services to individual departments and funds. The increase in net position of the Internal Service Funds is included in governmental activities in the Statement of Net Position. 314,507

**Change in net position of governmental activities (page 19)** \$ 7,271,043

Dallas County  
Statement of Net Position  
Proprietary Funds  
June 30, 2015

	Internal Service
<b>Assets</b>	
Cash and cash equivalents	\$ 4,698,037
Receivables:	
Accounts	5,540
Accrued interest	147
Prepaid insurance	195
Capital assets, net of accumulated depreciation	453,986
<b>Total assets</b>	<b>5,157,905</b>
<b>Deferred Outflows of Resources</b>	
Pension related deferred outflows	93,313
<b>Liabilities</b>	
Accounts payable	702,646
Salaries and benefits payable	39,919
Due to other governments	10,138
Long-term liabilities:	
Portion due or payable within one year:	
Compensated absences	33,627
Portion due or payable after one year:	
Compensated absences	24,605
Net pension liability	284,521
Net OPEB liability	12,025
<b>Total liabilities</b>	<b>1,107,481</b>
<b>Deferred Inflows of Resources</b>	
Unavailable revenues:	
Pension related deferred inflows	175,375
<b>Net Position</b>	
Net investment in capital assets	453,986
Unrestricted	3,514,376
<b>Total net position</b>	<b>\$ 3,968,362</b>

See notes to financial statements.

## Dallas County

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

Year ended June 30, 2015

		<u>Internal Service</u>
Operating revenues:		
Reimbursements from operating funds and other governmental units		\$ 5,146,797
Reimbursements from employees and others		121,915
Insurance reimbursements		48
Miscellaneous		<u>10,026</u>
Total operating revenues		<u>5,278,786</u>
Operating expenses:		
Medical claims	\$ 2,558,073	
Administrative and other fees	390,826	
Central services	508,578	
Information technology	950,212	
Operations administration	316,863	
Human resources	151,747	
Depreciation	<u>98,056</u>	<u>4,974,355</u>
Operating income		304,431
Non-operating revenues:		
Interest income		<u>10,076</u>
Net income		314,507
Net position beginning of year, as restated		<u>3,653,855</u>
Net position end of year		<u><u>\$ 3,968,362</u></u>

See notes to financial statements.

Dallas County  
Statement of Cash Flows  
Proprietary Funds  
Year ended June 30, 2015

	Internal Service
Cash flows from operating activities:	
Cash received from operating funds and other reimbursements	\$ 5,280,004
Cash received from insurance reimbursements	48
Cash paid for personal services	(1,880,571)
Cash paid to suppliers for services	(2,767,480)
Net cash provided by operating activities	632,001
Cash flows from capital and related financing activities:	
Purchase of equipment	(117,861)
Cash flows from investing activities:	
Interest on investments	10,437
Net increase in cash and cash equivalents	524,577
Cash and cash equivalents beginning of year	4,173,460
Cash and cash equivalents end of year	\$ 4,698,037
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 304,431
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	98,056
Changes in assets and liabilities:	
Decrease in accounts receivable	1,266
Increase in prepaid insurance	(21)
Increase in deferred outflows of resources	(30,831)
Increase in accounts payable and due to other governments	254,020
Increase in salaries and benefits payable	6,823
Increase in compensated absences	11,262
Decrease in pension liability	(188,511)
Increase in deferred inflows of resources	175,375
Increase in net OPEB liability	131
Net cash provided by operating activities	\$ 632,001

See notes to financial statements.



Dallas County  
Statement of Fiduciary Assets and Liabilities  
Agency Funds

June 30, 2015

**Assets**

Cash, cash equivalents and pooled investments:

County Treasurer	\$ 5,038,103
Other County officials	143,561

Receivables:

Property tax:

Delinquent	98,813
Succeeding year	139,455,000

Accounts	24,849
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Accrued interest	231
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Special assessments	847,748
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Due from other funds	31,128
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Prepaid insurance	2,729
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<b>Total assets</b>	<u>145,642,162</u>
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**Liabilities**

Accounts payable	156,208
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Salaries and benefits payable	31,747
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Due to other governments	145,177,071
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Trusts payable	191,082
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Compensated absences	86,054
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<b>Total liabilities</b>	<u>145,642,162</u>
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<b>Net Position</b>	<u><u>\$ -</u></u>
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See notes to financial statements.

Dallas County

Notes to Financial Statements

June 30, 2015

**(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 E911 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 Agency 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 of the nonfiduciary activities of the County and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenues and other nonexchange transactions.

The Statement of Net Position presents the County’s nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in three 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. Enabling legislation did not result in any restricted net position.

*Unrestricted net position* consists of net position not meeting the definition of the preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

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

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

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

The 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 – Agency 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 capital leases 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 Equity

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

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

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

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is recognized as deferred inflows 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, 2013 assessed property valuations; is for the tax accrual period July 1, 2014 through June 30, 2015 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2014.

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

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

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 and Due to Other Funds – During the course of its operations, the County has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2015, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

Capital Assets – Capital assets, which include property, equipment and vehicles, intangibles and infrastructure assets acquired

After July 1, 1980 (e.g., roads, bridges, curbs, gutters, sidewalks and similar items which are immovable and of value only to the County), are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. 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. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

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

Capital assets of the County 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

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

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 at June 30, 2015. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

Long-Term Liabilities – In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund Statement of Net Position.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions - For purposes of measuring the net pension liability, 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.

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

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax and tax increment financing receivable which will not be recognized until the year for which they are levied and the unamortized portion of the net difference between projected and actual earnings on IPERS' investments.

Fund Equity – 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.

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

The County's deposits in banks at June 30, 2015 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.

The County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$755,463 pursuant to Rule 2a-7 under the Investment Company Act of 1940. The investment in the Iowa Public Agency Investment Trust is unrated for credit risk purposes.

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

The detail of interfund receivables and payables at June 30, 2015 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Special Revenue: Mental Health	<u>\$ 20,225</u>

The balance results from the time lag between the dates interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

**(4) Interfund Transfers**

The detail of interfund transfers for the year ended June 30, 2015 is as follows:

Transfer to	Transfer from	Amount
Special Revenue:		
Secondary Roads	General	\$ 539,842
	Special Revenue:	
	Rural Services	3,609,347
		<u>4,149,189</u>
Debt Service	Special Revenue:	
	Tax Increment Financing	70,882
Total		<u>\$ 4,220,071</u>

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

**(5) Capital Assets**

Capital assets activity for the year ended June 30, 2015 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Governmental activities:</b>				
Capital assets not being depreciated/amortized:				
Land	\$ 6,115,563	-	-	6,115,563
Intangibles, road network	650,456	350,000	-	1,000,456
Construction in progress	322,785	6,500,307	(410,243)	6,412,849
Total capital assets not being depreciated/amortized	<u>7,088,804</u>	<u>6,850,307</u>	<u>(410,243)</u>	<u>13,528,868</u>
Capital assets being depreciated/amortized:				
Buildings	28,559,987	179,014	-	28,739,001
Improvements other than buildings	748,712	-	-	748,712
Equipment and vehicles	11,146,007	1,730,955	(1,452,791)	11,424,171
Equipment and vehicles - internal service	1,008,646	117,861	-	1,126,507
Intangibles	132,880	83,725	-	216,605
Infrastructure, road network and other	53,917,058	231,229	-	54,148,287
Total capital assets being depreciated/amortized	<u>95,513,290</u>	<u>2,342,784</u>	<u>(1,452,791)</u>	<u>96,403,283</u>
Less accumulated depreciation/amortization for:				
Buildings	9,136,832	548,604	-	9,685,436
Improvements other than buildings	166,617	42,946	-	209,563
Equipment and vehicles	7,263,081	1,310,214	(1,403,192)	7,170,103
Equipment and vehicles - internal service	574,465	98,056	-	672,521
Intangibles	69,246	15,482	-	84,728
Infrastructure, road network and other	22,255,404	1,622,874	-	23,878,278
Total accumulated depreciation/amortization	<u>39,465,645</u>	<u>3,638,176</u>	<u>(1,403,192)</u>	<u>41,700,629</u>
Total capital assets being depreciated/amortized, net	<u>56,047,645</u>	<u>(1,295,392)</u>	<u>(49,599)</u>	<u>54,702,654</u>
Governmental activities capital assets, net	<u>\$ 63,136,449</u>	<u>5,554,915</u>	<u>(459,842)</u>	<u>68,231,522</u>

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 733,159
Physical health and social services	10,465
Mental health	69,465
County environment and education	543,385
Roads and transportation	2,054,948
Governmental services to residents	52,038
Administration	174,716
Total depreciation/amortization expense - governmental activities	<u>\$ 3,638,176</u>

**(6) Due to Other Governments**

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2015 is as follows:

Fund	Description	Amount
General	Services	\$ 102,134
Special Revenue:		
Mental Health	Services	11,434
Secondary Roads		3,159
Total for governmental funds		<u>\$ 116,727</u>
Agency:		
Heart of Iowa Mental Health Region	Collections	\$ 348,783
County Assessor		1,910,750
Schools		74,535,646
Community Colleges		2,839,152
Corporations		56,706,305
City Special Assessments		893,069
Auto License and Use Tax		2,376,896
All other		5,566,470
Total for agency funds		<u>\$ 145,177,071</u>

**(7) Long-Term Liabilities**

A summary of changes in long-term liabilities for the year ended June 30, 2015 is as follows:

	Capital Lease Purchase Agreement	General Obligation Bonds	General Obligation Capital Loan Notes	Drainage District Warrants	Compen-sated Absences	Net Pension Liability	Net OPEB Liability	Total
Balance beginning of year, as restated	\$ 60,990	8,795,000	2,570,000	29,366	915,683	7,883,860	196,600	20,451,499
Increases	-	-	-	66,265	672,055	-	87,300	825,620
Decreases	29,992	955,000	450,000	10,115	695,682	3,141,852	60,400	5,343,041
Balance end of year	<u>\$ 30,998</u>	<u>7,840,000</u>	<u>2,120,000</u>	<u>85,516</u>	<u>892,056</u>	<u>4,742,008</u>	<u>223,500</u>	<u>15,934,078</u>
Due within one year	\$ 30,998	1,085,000	475,000	85,516	478,372	-	-	2,152,886

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.

Capital Lease Purchase Agreement

The County entered into a capital lease purchase agreement to lease two Secondary Roads tractors. The following is a schedule of the future minimum lease payments, including interest at 3.30% per annum, and the present value of net minimum lease payments under the agreement in effect at June 30, 2015:

Year Ending June 30,	Amount
2016	\$ 32,036
Less amount representing interest	(1,038)
Present value of net minimum lease payments	<u>\$ 30,998</u>

Payments under the capital lease purchase agreement totaled \$32,036 for the year ended June 30, 2015.

General Obligation Bonds

A summary of the County's June 30, 2015 general obligation bonded indebtedness is as follows:

Year Ending June 30,	Courthouse Improvements Issued December 28, 2005			Courthouse, Jail and Administrative Offices Issued June 1, 2008		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2016	3.75%	\$ 985,000	232,355	4.00%	\$ 100,000	70,655
2017	3.75	1,065,000	195,418	4.00	115,000	66,655
2018	3.80	1,215,000	155,480	4.00	115,000	62,055
2019	3.85	1,340,000	109,310	4.00	115,000	57,455
2020-2024	3.90	1,480,000	57,720	4.00	670,000	213,275
2025-2029		-	-	4.00-4.125	640,000	66,901
Total		<u>\$ 6,085,000</u>	<u>750,283</u>		<u>\$ 1,755,000</u>	<u>536,996</u>

Year Ending June 30,	Total		
	Principal	Interest	Total
2016	\$ 1,085,000	303,010	1,388,010
2017	1,180,000	262,073	1,442,073
2018	1,330,000	217,535	1,547,535
2019	1,455,000	166,765	1,621,765
2020-2024	2,150,000	270,995	2,420,995
2025-2029	640,000	66,901	706,901
Total	<u>\$ 7,840,000</u>	<u>1,287,279</u>	<u>9,127,279</u>

During the year ended June 30, 2015, the County retired \$955,000 of general obligation bonds.

General Obligation Capital Loan Notes

A summary of the County's June 30, 2015 general obligation capital loan note indebtedness is as follows:

Year Ending June 30,	Ortonville Business Park			Capital Improvements		
	Issued August 1, 2000			Issued March 1, 2002		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2016	5.25%	\$ 160,000	50,522	4.75%	\$ 160,000	41,937
2017	5.30	175,000	42,121	4.75	165,000	34,338
2018	5.35	185,000	32,846	5.00	175,000	26,500
2019	5.40	205,000	22,950	5.00	175,000	17,750
2020	5.40	220,000	11,880	5.00	180,000	9,000
Total		\$ 945,000	160,319		\$ 855,000	129,525

Year Ending June 30,	Maintenance Facility			Total		
	Issued April 1, 2002			Principal	Interest	Total
	Interest Rates	Principal	Interest			
2016	5.00%	\$ 155,000	16,000	475,000	108,459	583,459
2017	5.00	165,000	8,250	505,000	84,709	589,709
2018		-	-	360,000	59,346	419,346
2019		-	-	380,000	40,700	420,700
2020		-	-	400,000	20,880	420,880
Total		\$ 320,000	24,250	2,120,000	314,094	2,434,094

During the year ended June 30, 2015, the County retired \$450,000 of general obligation capital loan notes.

**(8) Pension Plan**

Plan Description - IPERS membership is mandatory for employees of the County, except for those covered by another retirement system. Employees of the County are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117 or at [www.ipers.org](http://www.ipers.org).

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

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

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

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

The formula used to calculate a sheriff's, deputy's and 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 years of service greater than 22 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 - Effective July 1, 2012, as a result of a 2010 law change, the 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%. 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 2015, pursuant to the required rate, Regular members contributed 5.95% of covered payroll and the County contributed 8.93% for a total rate of 14.88%. The Sheriff, deputies and the County each contributed 9.88% of covered payroll for a total rate of 19.76%. Protection occupation members contributed 6.76% of covered payroll and the County contributed 10.14% for a total rate of 16.90%.

The County's contributions to IPERS for the year ended June 30, 2015 totaled \$1,080,544.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the County reported a liability of \$4,742,008 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014 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, 2014, the County's proportion was 0.119569%, which was a decrease of 0.017740% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$426,139. At June 30, 2015, 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	\$ 55,913	84,452
Changes of assumptions	227,048	64,657
Net difference between projected and actual earnings on pension plan investments	-	2,773,810
Changes in proportion and differences between County contributions and its proportionate share of contributions	113,323	-
County contributions subsequent to the measurement date	1,080,544	-
Total	<u>\$ 1,476,828</u>	<u>2,922,919</u>

\$1,080,544 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, 2016. 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
2016	\$ (635,701)
2017	(635,701)
2018	(635,701)
2019	(635,702)
2020	16,170
Total	<u>\$ (2,526,635)</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumption applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2014)	3.00% per annum.
Rates of salary increase (effective June 30, 2010)	4.00 to 17.00% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.50% compounded annually, net of investment expense, including inflation.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

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 arithmetic 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
US Equity	23%	6.31%
Non US Equity	15	6.76
Private Equity	13	11.34
Real Estate	8	3.52
Core Plus Fixed Income	28	2.06
Credit Opportunities	5	3.67
TIPS	5	1.92
Other Real Assets	2	6.27
Cash	1	-0.69
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 7.50%. 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 (Asset) Liability 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 7.50%, 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 (6.50%) or 1% higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
County's proportionate share of the net pension liability (asset)	\$ 11,050,347	4,742,008	(577,511)

IPERS' Fiduciary Net Position - Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at [www.ipers.org](http://www.ipers.org).

Payables to IPERS - All legally required County contributions and legally required employee contributions which had been withheld from employee wages were remitted by the County to IPERS by June 30, 2015.

**(9) Other Postemployment Benefits (OPEB)**

Plan Description - The County operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. There are 195 active and 20 retired members in the plan. Retired participants must be age 55 or older at retirement.

The medical/prescription drug benefits, which is a partially self-funded medical plan, is administered by First Administrators. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Funding Policy - The contribution requirements of plan members are established and may be amended by the County. The County currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation - The County's annual OPEB cost is calculated based on the annual required contribution (ARC) of the County, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding which, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the County's annual OPEB cost for the year ended June 30, 2015, the amount actually contributed to the plan and changes in the County's net OPEB obligation:

Annual required contribution	\$ 87,200
Interest on net OPEB obligation	7,900
Adjustment to annual required contribution	<u>(7,800)</u>
Annual OPEB cost	87,300
Contributions made	<u>(60,400)</u>
Increase in net OPEB obligation	26,900
Net OPEB obligation beginning of year	<u>196,600</u>
Net OPEB obligation end of year	<u>\$ 223,500</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2015.

For the year ended June 30, 2015, the County contributed \$60,340 to the medical plan. Plan members eligible for benefits contributed \$113,517, or 65% of the premium costs.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation are summarized as follows:

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 66,481	62.7%	\$ 171,400
2014	66,900	62.3	196,600
2015	87,300	69.2	223,500

Funded Status and Funding Progress – As of July 1, 2014, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was approximately \$905,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$905,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$10,607,000 and the ratio of the UAAL to covered payroll was 8.53%. As of June 30, 2015, there were no trust fund assets.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for the Retiree Health Plan, presented as Required Supplementary Information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2014 actuarial valuation date, the unit credit actuarial cost method was used. The actuarial assumptions include a 4% discount rate based on the County's funding policy. The projected annual medical trend rate is 9%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 0.5% each year until reaching the 5% ultimate trend rate.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2010 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2010.

Projected claim costs of the medical plan are \$517 per month for retirees less than age 65. The salary increase rate was assumed to be 3% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

## **(10) Risk Management**

The County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 727 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, public officials liability, police professional liability, property, inland marine and boiler/machinery. 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 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. 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 risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's contributions to the Pool for the year ended June 30, 2015 were \$307,979.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location. Property risks exceeding \$250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, property loss or series of claims or losses exceeds the amount of risk-sharing protection provided by the County's risk-sharing certificate, or in the event a casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any excess risk-sharing recoveries, then payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred.

The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2015, no liability has been recorded in the County's financial statements. As of June 30, 2015, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

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

**(11) Employee Health Insurance Plan**

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

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to First Administrators from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2015 was \$3,006,225.

Amounts payable from the Employee Group Health Fund at June 30, 2015 total \$532,927, 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 \$2,673,816 at June 30, 2015 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	\$ 380,916
Incurred claims (including claims incurred but not reported at June 30, 2015)	2,558,073
Payments on claims during the fiscal year	<u>(2,406,062)</u>
Unpaid claims end of year	<u>\$ 532,927</u>

**(12) Industrial Development Revenue Bonds**

In August 2000, the County issued \$13,000,000 of industrial development revenue bonds under the provisions of Chapter 419 of the Code of Iowa. The bonds are payable solely from the revenues derived and do not constitute a liability of the County.

**(13) YMCA Revenue Bond**

In November 2008, the County issued \$7,000,000 of revenue bonds for the purpose of lending the proceeds to the Young Men's Christian Association (YMCA) of Greater Des Moines, Iowa. The proceeds were used for constructing, improving and equipping a new YMCA facility in Waukee, Iowa. The bonds are payable solely from YMCA revenues and do not constitute a liability of the County.

**(14) Economic Development Agreements**

In November 2003, the County entered into a private development agreement with the City of DeSoto and Oak Hill Plantation, L.C. The County agreed to make certain economic development grants to the developer to reimburse the developer for a portion of the cost of the public improvements constructed. The grant payments to be made equal 50% of the tax increment financing collected by the County, but shall not exceed the actual cost of the public improvements or \$5,500,000. Payments totaling \$16,675 were made to the developer under the terms of the agreement during the year ended June 30, 2015. The cumulative amount paid to the developer at June 30, 2015 was \$140,559.

In February 2008, the County entered into a 28E agreement with the City of West Des Moines to aid in financing an economic development project. The project will be financed through tax increment financing by the City as well as additional funding granted through the County as determined in the 28E agreement. The agreement began in fiscal year 2009 and continues through fiscal year 2019. Payments totaling \$440,000 were made from the General Fund to the City under the terms of the 28E agreement during the year ended June 30, 2015. The cumulative amount paid to the City at June 30, 2015 was \$2,949,543.

In April 2010, the County amended the agreement dated October 2008 with the City of West Des Moines to financially participate in the financing of an economic development project. The County agreed to pay \$307,875, or one half, of the initial costs previously incurred by the City associated with the Microsoft Corporation data center. Beginning with the fiscal year immediately following Microsoft Corporation's announcement to begin construction of a data center, the County will make semi-annual payments of \$220,000 in January and June of each year for the next nine fiscal years. A final payment of \$132,125 will be made in January of the following fiscal year. During fiscal year 2015, the County paid \$501,069 from the General Fund to the City for initial costs incurred for the project. The cumulative amount paid to the City at June 30, 2015 was \$2,650,686.

**(15) Pending Litigation**

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

**(16) County Farm Lease**

The County owns the Dallas County Farm (Farm). Effective March 1, 2014, the County entered into a three-year lease with Des Moines Area Community College (DMACC) whereby DMACC operates the Farm. The County is to receive \$61,493 in land and building rent annually.

**(17) Deficit Fund Balance**

The Special Revenue, Tax Increment Financing Fund had a deficit fund balance of \$1,936 at June 30, 2015. The deficit balance will be eliminated through future collection of tax increment financing revenues.

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

Heart of Iowa Community Services Region, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa which became effective July 10, 2014, includes the following member counties: Audubon County, Dallas County, Greene County and Guthrie County. The financial activity of the County's Special Revenue, Mental Health Fund is included in the Heart of Iowa Mental Health Region for the year ended June 30, 2015, as follows:

Revenues:		
Property and other county tax		\$ 1,485,998
Intergovernmental revenues:		
State tax credits	\$ 69,506	
Mental health and disability services transition	1,878,062	
Social services block grant	174,603	
Other	63	2,122,234
Miscellaneous		<u>25,072</u>
Total revenues		<u>3,633,304</u>
Expenditures:		
Services to persons with:		
Mental illness	1,307,855	
Intellectual disabilities	119,641	
Other developmental disabilities	23,566	
Brain injury	6,368	1,457,430
General administration:		
Direct administration	412,419	
Distribution to regional fiscal agent	585,802	998,221
Total expenditures		<u>2,455,651</u>
Excess of revenues over expenditures		1,177,653
Fund balance beginning of the year		<u>1,465,858</u>
Fund balance end of the year		<u><u>\$2,643,511</u></u>

**(19) Construction Commitment**

The County has entered into a construction contract totaling approximately \$3,180,000 for renovations to a County building for Human Services office space. As of June 30, 2015, approximately \$1,643,000 has been paid on the contract. The remaining \$1,537,000 will be paid as work on the project progresses.

**(20) Subsequent Event**

On November 3, 2015, the County issued \$7,125,000 of general obligation capital loan notes for peace officer and emergency communication equipment and to refund outstanding indebtedness of the County. The notes bear interest at 2% per annum and are payable on June 1, 2016 and semiannually thereafter on December 1 and June 1.

**(21) Accounting Change/Restatement**

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27, was implemented during fiscal year 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, GASB Statement No. 68 requires a state or local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources are not reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by Governmental Accounting Standards Board Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Beginning net position for governmental activities and the Internal Service, Professional Services Fund were restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date, as follows:

	<u>Governmental Activities</u>	<u>Internal Service</u>
Net position June 30, 2014, as previously reported	\$ 84,434,030	4,064,405
Net pension liability at June 30, 2014	(7,883,860)	(473,032)
Deferred outflows of resources related to prior year contributions made after the June 30, 2013 measurement date	<u>1,041,359</u>	<u>62,482</u>
Net position July 1, 2014, as restated	<u>\$77,591,529</u>	<u>3,653,855</u>

**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, 2015

	Actual	Less Funds not Required to be Budgeted	Net
<b>Receipts:</b>			
Property and other county tax	\$ 19,400,503	-	19,400,503
Interest and penalty on property tax	146,959	-	146,959
Intergovernmental	10,735,834	-	10,735,834
Licenses and permits	177,806	-	177,806
Charges for service	2,910,396	-	2,910,396
Use of money and property	349,487	42,301	307,186
Miscellaneous	555,478	41,753	513,725
Total receipts	34,276,463	84,054	34,192,409
<b>Disbursements:</b>			
Public safety and legal services	9,386,880	-	9,386,880
Physical health and social services	2,992,125	-	2,992,125
Mental health	3,289,088	-	3,289,088
County environment and education	3,532,206	107,649	3,424,557
Roads and transportation	6,320,527	-	6,320,527
Governmental services to residents	2,297,324	-	2,297,324
Administration	1,915,396	-	1,915,396
Non-program	10,411	-	10,411
Debt service	1,887,574	10,115	1,877,459
Capital projects	2,776,429	-	2,776,429
Total disbursements	34,407,960	117,764	34,290,196
Deficiency of receipts under disbursements	(131,497)	(33,710)	(97,787)
Other financing sources, net	91,515	66,265	25,250
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(39,982)	32,555	(72,537)
Balance beginning of year	29,483,640	162,084	29,321,556
Balance end of year	\$ 29,443,658	194,639	29,249,019

See accompanying independent auditor's report.

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Budgeted Amounts		Final to Net Variance
Original	Final	
19,939,690	19,939,690	(539,187)
154,000	154,000	(7,041)
8,603,419	9,474,843	1,260,991
195,635	195,635	(17,829)
2,437,907	2,793,669	116,727
261,345	261,345	45,841
358,970	395,473	118,252
<u>31,950,966</u>	<u>33,214,655</u>	<u>977,754</u>
8,982,669	10,213,997	827,117
3,131,488	3,282,933	290,808
2,352,831	4,140,053	850,965
3,120,939	3,634,308	209,751
6,732,740	6,627,736	307,209
2,360,619	2,634,772	337,448
1,571,836	2,375,257	459,861
58,000	58,000	47,589
1,877,958	1,877,958	499
3,722,980	4,845,348	2,068,919
<u>33,912,060</u>	<u>39,690,362</u>	<u>5,400,166</u>
(1,961,094)	(6,475,707)	6,377,920
-	-	25,250
(1,961,094)	(6,475,707)	6,403,170
16,662,307	29,158,696	162,860
<u>14,701,213</u>	<u>22,682,989</u>	<u>6,566,030</u>

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Dallas County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2015

	Governmental Funds		
	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis
Revenues	\$ 34,276,463	192,281	34,468,744
Expenditures	34,407,960	461,928	34,869,888
Net	(131,497)	(269,647)	(401,144)
Other financing sources, net	91,515	-	91,515
Beginning fund balances	29,483,640	305,936	29,789,576
Ending fund balances	\$ 29,443,658	36,289	29,479,947

See accompanying independent auditor's report.

Dallas County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2015

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 Agency Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$5,778,302. The budget amendments are reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2015, disbursements did not exceed the amounts budgeted by function.

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Dallas County

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

Iowa Public Employees' Retirement System  
Last Year\*  
(In Thousands)

Required Supplementary Information

	<u>2015</u>
County's proportion of the net pension liability (asset)	0.119569%
County's proportionate share of the net pension liability (asset)	\$ 4,742
County's covered-employee payroll	\$ 11,318
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	41.90%
IPERS net position as a percentage of the total pension liability	87.61%

\* The amounts presented for each fiscal year were determined as of June 30.

See accompanying independent auditor's report.

**Dallas County**

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Dallas County

Schedule of County Contributions

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

Required Supplementary Information

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Statutorily required contribution	\$ 1,081	1,041	973	933
Contributions in relation to the statutorily required contribution	<u>(1,081)</u>	<u>(1,041)</u>	<u>(973)</u>	<u>(933)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered-employee payroll	\$ 11,788	11,318	10,776	10,951
Contributions as a percentage of covered-employee payroll	9.17%	9.20%	9.03%	8.52%

See accompanying independent auditor's report.

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<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
802	731	669	589	514	497
<u>(802)</u>	<u>(731)</u>	<u>(669)</u>	<u>(589)</u>	<u>(514)</u>	<u>(497)</u>
-	-	-	-	-	-
10,630	10,376	9,954	9,481	8,601	8,333
7.54%	7.05%	6.72%	6.21%	5.98%	5.96%



Dallas County

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2015

*Changes of benefit terms:*

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3% per year measured from the member's first unreduced retirement age to a 6% reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups – emergency medical service providers, county jailers, county attorney investigators and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer, instead of the previous 40-60 split.

*Changes of assumptions:*

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

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

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25% to 4.00%.
- Lowered the inflation assumption from 3.50% to 3.25%.
- Lowered disability rates for sheriffs, deputies and protection occupation members.

Dallas County

Schedule of Funding Progress for the  
Retiree Health Plan  
(In Thousands)

Required Supplementary Information

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2011	July 1, 2010	-	486	486	0.00%	9,502	5.10%
2012	July 1, 2010	-	486	486	0.00	10,313	4.70
2013	July 1, 2012	-	614	614	0.00	11,759	5.22
2014	July 1, 2012	-	614	614	0.00	10,160	6.05
2015	July 1, 2014	-	905	905	0.00	10,607	8.53

See Note 9 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

See accompanying independent auditor's report.

## **Supplementary Information**

Dallas County  
 Combining Balance Sheet  
 Nonmajor Governmental Funds

June 30, 2015

	Special				
	Tax Increment Financing	Wetland Bank Maintenance	County Sheriff Forfeiture	Sheriff Federal Forfeiture	County Attorney Forfeiture
<b>Assets</b>					
Cash, cash equivalents and pooled investments:					
County Treasurer	\$ 15	1,085,003	256,346	34,979	18,127
Conservation Foundation	-	-	-	-	-
Receivables:					
Property tax:					
Delinquent	-	-	-	-	-
Succeeding year	-	-	-	-	-
Succeeding year					
tax increment financing	102,000	-	-	-	-
Accounts	-	-	-	4,331	322
Accrued interest	-	-	-	-	-
Drainage assessments	-	-	-	-	-
<b>Total assets</b>	<b>\$ 102,015</b>	<b>1,085,003</b>	<b>256,346</b>	<b>39,310</b>	<b>18,449</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 1,951	-	167	1,820	-
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	-	-	-	-	-
Succeeding year tax increment financing	102,000	-	-	-	-
Other	-	-	-	-	322
Total deferred inflows of resources	102,000	-	-	-	322
Fund balances:					
Restricted for:					
Drainage district purposes	-	-	-	-	-
Conservation land acquisition/ capital improvements	-	-	-	-	-
Debt service	-	-	-	-	-
Forfeitures	-	-	256,179	37,490	18,127
Wetland bank maintainance	-	1,085,003	-	-	-
Other purposes	-	-	-	-	-
Unassigned	(1,936)	-	-	-	-
Total fund balances	(1,936)	1,085,003	256,179	37,490	18,127
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 102,015</b>	<b>1,085,003</b>	<b>256,346</b>	<b>39,310</b>	<b>18,449</b>

See accompanying independent auditor's report.

Revenue								
Courthouse Restoration	County Recorder's Management	Resource Enhancement and Protection	Conservation Conditional Use	Drainage Districts	Conservation Foundation	Debt Service	Total	
3,379	92,612	87,459	999,170	108,639	-	240,520	2,926,249	
-	-	-	-	-	86,000	-	86,000	
-	-	-	-	-	-	1,063	1,063	
-	-	-	-	-	-	1,647,000	1,647,000	
-	-	-	-	-	-	-	102,000	
-	-	-	-	-	-	-	4,653	
-	-	54	492	-	-	-	546	
-	-	-	-	81,815	-	-	81,815	
3,379	92,612	87,513	999,662	190,454	86,000	1,888,583	4,849,326	
-	298	-	-	-	-	-	4,236	
-	-	-	-	-	-	1,647,000	1,647,000	
-	-	-	-	-	-	-	102,000	
-	-	-	-	81,815	-	1,021	83,158	
-	-	-	-	81,815	-	1,648,021	1,832,158	
-	-	-	-	108,639	-	-	108,639	
-	-	-	999,662	-	-	-	999,662	
-	-	-	-	-	-	240,562	240,562	
-	-	-	-	-	-	-	311,796	
-	-	-	-	-	-	-	1,085,003	
3,379	92,314	87,513	-	-	86,000	-	269,206	
-	-	-	-	-	-	-	(1,936)	
3,379	92,314	87,513	999,662	108,639	86,000	240,562	3,012,932	
3,379	92,612	87,513	999,662	190,454	86,000	1,888,583	4,849,326	

Dallas County

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

Year ended June 30, 2015

						Special
	Tax Increment Financing	Wetland Bank Maintenance	County Sheriff Forfeiture	Sheriff Federal Forfeiture	County Attorney Forfeiture	Courthouse Restoration
Revenues:						
Property and other county tax	\$ -	-	-	-	-	-
Tax increment financing	100,956	-	-	-	-	-
Intergovernmental	3,269	822,850	-	-	-	-
Charges for service	-	-	-	-	-	-
Use of money and property	-	16,804	-	-	-	-
Miscellaneous	-	-	5,600	31,898	4,603	-
Total revenues	104,225	839,654	5,600	31,898	4,603	-
Expenditures:						
Operating:						
Public safety and legal services	-	-	92,264	26,134	-	-
County environment and education	33,349	-	-	-	-	-
Governmental services to residents	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Total expenditures	33,349	-	92,264	26,134	-	-
Excess (deficiency) of revenues over (under) expenditures	70,876	839,654	(86,664)	5,764	4,603	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(70,882)	-	-	-	-	-
Drainage warrants/drainage improvement certificates issued	-	-	-	-	-	-
Total other financing sources (uses)	(70,882)	-	-	-	-	-
Change in fund balances	(6)	839,654	(86,664)	5,764	4,603	-
Fund balances beginning of year	(1,930)	245,349	342,843	31,726	13,524	3,379
Fund balances end of year	\$ (1,936)	1,085,003	256,179	37,490	18,127	3,379

See accompanying independent auditor's report.

Revenue								
County Recorder's Records Management	Economic Development	Resource Enhancement and Protection	Conservation Conditional Use	Drainage Districts	Conservation Foundation	Debt Service	Total	
-	-	-	-	-	-	1,452,105	1,452,105	
-	-	-	-	-	-	-	100,956	
-	-	30,223	-	-	-	64,096	920,438	
17,899	-	-	-	-	-	-	17,899	
2,341	559	226	51,844	-	250	1,569	73,593	
-	-	-	-	42,301	41,503	-	125,905	
20,240	559	30,449	51,844	42,301	41,753	1,517,770	2,690,896	
-	-	-	-	-	-	-	118,398	
-	406,962	-	-	64,765	42,884	-	547,960	
4,870	-	-	-	-	-	-	4,870	
-	-	-	-	10,115	-	1,703,458	1,713,573	
-	-	51,322	-	-	-	-	51,322	
4,870	406,962	51,322	-	74,880	42,884	1,703,458	2,436,123	
15,370	(406,403)	(20,873)	51,844	(32,579)	(1,131)	(185,688)	254,773	
-	-	-	-	-	-	70,882	70,882	
-	-	-	-	-	-	-	(70,882)	
-	-	-	-	66,265	-	-	66,265	
-	-	-	-	66,265	-	70,882	66,265	
15,370	(406,403)	(20,873)	51,844	33,686	(1,131)	(114,806)	321,038	
76,944	406,403	108,386	947,818	74,953	87,131	355,368	2,691,894	
92,314	-	87,513	999,662	108,639	86,000	240,562	3,012,932	



**Dallas County**

Dallas County  
Combining Schedule of Net Position  
Internal Service Funds

June 30, 2015

	Professional Services	Employee Group Health	Total
<b>Assets</b>			
Cash and pooled investments	\$ 1,462,033	3,236,004	4,698,037
Receivables:			
Accounts	5,540	-	5,540
Accrued interest	-	147	147
Prepaid insurance	195	-	195
Capital assets, net of accumulated depreciation/amortization	453,986	-	453,986
<b>Total assets</b>	<b>1,921,754</b>	<b>3,236,151</b>	<b>5,157,905</b>
<b>Deferred Outflows of Resources</b>			
Pension related deferred outflows	93,313	-	93,313
<b>Liabilities</b>			
Accounts payable	140,311	562,335	702,646
Salaries and benefits payable	39,919	-	39,919
Due to other governments	10,138	-	10,138
Long-term liabilities:			
Portion due or payable within one year:			
Compensated absences	33,627	-	33,627
Portion due or payable after one year:			
Compensated absences	24,605	-	24,605
Net pension liability	284,521	-	284,521
Net OPEB liability	12,025	-	12,025
<b>Total liabilities</b>	<b>545,146</b>	<b>562,335</b>	<b>1,107,481</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenues:			
Pension related deferred inflows	175,375	-	175,375
<b>Net Position</b>			
Net investment in capital assets	453,986	-	453,986
Unrestricted	840,560	2,673,816	3,514,376
<b>Total net position</b>	<b>\$ 1,294,546</b>	<b>2,673,816</b>	<b>3,968,362</b>

See accompanying independent auditor's report.

**Schedule 4**

## Dallas County

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

Year ended June 30, 2015

	Professional Services	Employee Group Health	Total
Operating revenues:			
Reimbursements from operating funds and other governmental units	\$ 2,140,572	3,006,225	5,146,797
Reimbursements from employees and others	-	121,915	121,915
Insurance reimbursements	-	48	48
Miscellaneous	10,026	-	10,026
Total operating revenues	2,150,598	3,128,188	5,278,786
Operating expenses:			
Medical claims	-	2,558,073	2,558,073
Administrative and other fees	-	390,826	390,826
Central services	508,578	-	508,578
Information technology	950,212	-	950,212
Operations administration	316,863	-	316,863
Human resources	151,747	-	151,747
Depreciation	98,056	-	98,056
Total operating expenses	2,025,456	2,948,899	4,974,355
Operating income	125,142	179,289	304,431
Non-operating revenues:			
Interest income	-	10,076	10,076
Net income	125,142	189,365	314,507
Net position beginning of year, as restated	1,169,404	2,484,451	3,653,855
Net position end of year	\$ 1,294,546	2,673,816	3,968,362

See accompanying independent auditor's report.

Dallas County  
Combining Schedule of Cash Flows  
Internal Service Funds

Year ended June 30, 2015

	Professional Services	Employee Group Health	Total
Cash flows from operating activities:			
Cash received from operating funds and other reimbursements	\$ 2,145,289	3,134,715	5,280,004
Cash received from insurance reimbursements	-	48	48
Cash paid for personal services	(1,880,571)		(1,880,571)
Cash paid to suppliers for services	-	(2,767,480)	(2,767,480)
Net cash provided by operating activities	264,718	367,283	632,001
Cash flows from capital and related financing activities:			
Purchase of equipment	(117,861)	-	(117,861)
Cash flows from investing activities:			
Interest on investments	-	10,437	10,437
Increase in cash and cash equivalents	146,857	377,720	524,577
Cash and cash equivalents beginning of year	1,315,176	2,858,284	4,173,460
Cash and cash equivalents end of year	\$ 1,462,033	3,236,004	4,698,037
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income	\$ 125,142	179,289	304,431
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation/amortization	98,056	-	98,056
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(5,309)	6,575	1,266
Increase in prepaid insurance	(21)	-	(21)
Increase in deferred outflows of resources	(30,831)	-	(30,831)
Increase in accounts payable and due to other governments	72,601	181,419	254,020
Increase in salaries and benefits payable	6,823	-	6,823
Increase in compensated absences	11,262	-	11,262
Decrease in pension liability	(188,511)	-	(188,511)
Increase in deferred inflows of resources	175,375	-	175,375
Increase in net OPEB liability	131	-	131
Net cash provided by operating activities	\$ 264,718	367,283	632,001

See accompanying independent auditor's report.

Dallas County  
Combining Schedule of Fiduciary Assets and Liabilities  
Agency Funds

June 30, 2015

	County Offices	Heart of Iowa Mental Health Region	Agricultural Extension Education	County Assessor	Schools
<b>Assets</b>					
Cash, cash equivalents and pooled investments:					
County Treasurer	\$ -	477,255	1,371	700,897	294,088
Other County officials	143,561	-	-	-	-
Receivables:					
Property tax:					
Delinquent	-	-	-	878	50,558
Succeeding year	-	-	332,000	1,312,000	74,191,000
Accounts	9,169	-	-	-	-
Accrued interest	-	-	-	-	-
Special assessments	-	-	-	-	-
Due from other governments	-	-	-	-	-
Prepaid insurance	-	-	-	194	-
<b>Total assets</b>	<b>\$ 152,730</b>	<b>477,255</b>	<b>333,371</b>	<b>2,013,969</b>	<b>74,535,646</b>
<b>Liabilities</b>					
Accounts payable	\$ -	128,472	-	9,255	-
Salaries and benefits payable	-	-	-	28,016	-
Due to other governments	121,503	348,783	333,371	1,910,750	74,535,646
Trusts payable	31,227	-	-	-	-
Compensated absences	-	-	-	65,948	-
<b>Total liabilities</b>	<b>\$ 152,730</b>	<b>477,255</b>	<b>333,371</b>	<b>2,013,969</b>	<b>74,535,646</b>

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	City Special Assess- ments	Auto License and Use Tax	Other	Total
11,262	154,014	3,250	45,321	2,376,896	973,749	5,038,103
-	-	-	-	-	-	143,561
1,890	45,291	163	-	-	33	98,813
2,826,000	56,507,000	459,000	-	-	3,828,000	139,455,000
-	-	-	-	-	15,680	24,849
-	-	-	-	-	231	231
-	-	-	847,748	-	-	847,748
-	-	-	-	-	31,128	31,128
-	-	-	-	-	2,535	2,729
<u>2,839,152</u>	<u>56,706,305</u>	<u>462,413</u>	<u>893,069</u>	<u>2,376,896</u>	<u>4,851,356</u>	<u>145,642,162</u>
-	-	-	-	-	18,481	156,208
-	-	-	-	-	3,731	31,747
2,839,152	56,706,305	462,413	893,069	2,376,896	4,649,183	145,177,071
-	-	-	-	-	159,855	191,082
-	-	-	-	-	20,106	86,054
<u>2,839,152</u>	<u>56,706,305</u>	<u>462,413</u>	<u>893,069</u>	<u>2,376,896</u>	<u>4,851,356</u>	<u>145,642,162</u>

Dallas County

Combining Schedule of Changes in Fiduciary Assets and Liabilities  
Agency Funds

Year ended June 30, 2015

	County	Heart of Iowa	Agricultural	County	
	Offices	Mental Health Region	Extension Education	Assessor	Schools
<b>Assets and Liabilities</b>					
Balances beginning of year	\$ 514,160	-	300,362	1,886,088	67,629,465
Additions:					
Property and other county tax	-	-	353,126	1,394,368	76,849,804
E911 surcharge	-	-	-	-	-
State tax credits	-	-	14,991	58,813	3,234,870
Drivers license fees	-	-	-	-	-
Office fees and collections	2,449,151	-	-	168	-
Auto licenses, use tax and postage	-	-	-	-	-
Assessments	-	-	-	-	-
Trusts	1,303,829	-	-	-	-
Miscellaneous	-	792,328	-	1,900	2,999
Total additions	3,752,980	792,328	368,117	1,455,249	80,087,673
Deductions:					
Agency remittances:					
To other funds	1,194,091	-	-	-	-
To other governments	1,221,011	315,073	335,108	1,327,368	73,181,492
Trusts paid out	1,699,308	-	-	-	-
Total deductions	4,114,410	315,073	335,108	1,327,368	73,181,492
Balances end of year	\$ 152,730	477,255	333,371	2,013,969	74,535,646

See accompanying independent auditor's report.

Community Colleges	Corpor- ations	Townships	City Special Assess- ments	Auto License and Use Tax	Other	Total
2,469,934	57,564,376	423,484	1,172,840	2,237,492	4,324,364	138,522,565
2,998,794	51,242,689	469,377	-	-	4,180,478	137,488,636
-	-	-	-	-	510,404	510,404
123,006	2,293,705	15,827	-	-	169,239	5,910,451
-	-	-	-	435,086	-	435,086
-	-	-	-	-	-	2,449,319
-	-	-	-	27,136,701	-	27,136,701
-	-	-	264,758	-	-	264,758
-	-	-	-	-	597,666	1,901,495
112	2,942	-	-	-	220,324	1,020,605
3,121,912	53,539,336	485,204	264,758	27,571,787	5,678,111	177,117,455
-	-	-	-	949,944	-	2,144,035
2,752,694	54,397,407	446,275	544,529	26,482,439	4,565,045	165,568,441
-	-	-	-	-	586,074	2,285,382
2,752,694	54,397,407	446,275	544,529	27,432,383	5,151,119	169,997,858
2,839,152	56,706,305	462,413	893,069	2,376,896	4,851,356	145,642,162



Dallas County

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

For the Last Ten Years

	2015	2014	2013	2012
<b>Revenues:</b>				
Property and other county tax	\$ 19,297,992	18,774,955	19,141,260	18,439,134
Interest and penalty on property tax	146,484	152,944	152,413	201,385
Tax increment financing	100,956	98,441	109,529	128,211
Intergovernmental	10,884,066	9,555,277	8,483,422	10,356,247
Licenses and permits	177,553	171,694	142,434	124,719
Charges for service	2,894,320	2,688,187	2,895,612	2,537,582
Use of money and property	315,240	318,975	299,663	625,957
Miscellaneous	652,133	691,317	647,448	679,094
<b>Total</b>	<b>\$ 34,468,744</b>	<b>32,451,790</b>	<b>31,871,781</b>	<b>33,092,329</b>
<b>Expenditures:</b>				
<b>Operating:</b>				
Public safety and legal services	\$ 9,420,387	8,362,939	7,635,590	7,535,107
Physical health and social services	3,014,152	2,889,683	2,872,561	2,791,212
Mental health	3,294,070	2,373,144	2,490,442	4,803,000
County environment and education	3,514,414	3,038,226	2,837,183	3,179,353
Roads and transportation	6,490,035	7,738,509	7,615,842	6,867,019
Governmental services to residents	2,298,557	1,842,953	1,749,461	1,748,738
Administration	1,863,375	1,551,918	1,512,103	1,671,751
Non-program	11,249	17,363	111,511	45,728
Debt service	1,887,573	1,815,875	1,748,125	1,701,369
Capital projects	3,076,076	396,233	2,402,316	1,880,891
<b>Total</b>	<b>\$ 34,869,888</b>	<b>30,026,843</b>	<b>30,975,134</b>	<b>32,224,168</b>

See accompanying independent auditor's report.

Modified Accrual Basis					
2011	2010	2009	2008	2007	2006
19,118,842	19,030,273	17,705,482	16,435,190	14,131,764	12,363,153
199,956	239,000	267,434	200,150	120,212	129,471
115,087	113,173	124,508	118,668	71,915	69,156
8,966,703	11,527,229	11,669,174	9,267,818	8,821,036	8,351,295
108,069	111,223	114,954	165,210	167,762	228,474
2,414,405	2,341,986	2,171,847	2,220,105	2,033,444	2,151,942
521,825	516,572	758,573	1,214,811	1,352,680	938,619
513,084	1,389,911	454,448	471,613	582,977	1,156,236
31,957,971	35,269,367	33,266,420	30,093,565	27,281,790	25,388,346
7,642,460	6,992,046	6,503,733	6,394,696	5,557,939	5,662,792
2,879,816	2,803,326	2,839,385	2,725,731	2,793,823	2,446,243
4,535,343	4,182,996	4,131,844	4,165,304	3,930,862	4,031,506
3,079,502	3,126,025	3,410,286	2,797,350	2,246,610	1,977,690
6,381,300	6,030,594	6,642,798	5,681,840	5,080,974	5,461,934
1,614,275	1,516,940	1,474,652	1,350,487	1,201,824	1,405,061
1,582,888	1,531,994	1,459,195	1,504,643	1,652,347	1,487,404
92,612	149,498	81,993	82,364	35,203	194,704
1,659,657	1,624,943	1,957,792	1,374,999	1,429,872	2,168,603
1,424,486	1,942,638	5,709,783	4,599,429	4,809,405	2,580,017
30,892,339	29,901,000	34,211,461	30,676,843	28,738,859	27,415,954

**Schedule 9**

Dallas County

Schedule of Expenditures of Federal Awards

Year ended June 30, 2015

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Direct:			
U.S. Department of the Interior:			
Payments in Lieu of Taxes	15.226		\$ 1,853
U.S. Department of Justice:			
Bulletproof Vest Partnership Program	16.607		<u>373</u>
Total direct			<u>2,226</u>
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
State Administrative Matching Grants for the			
Supplemental Nutrition Food Stamp Program	10.561		<u>25,040</u>
U.S. Department of Justice:			
Iowa Department of Justice - Crime Victim			
Assistance Division:			
Violence Against Women Formula Grants	16.588	VW-13-02	<u>1,471</u>
Iowa Department of Human Rights - Division of			
Criminal and Juvenile Justice Planning:			
Enforcing Underage Drinking Laws Program	16.727	CJJP-05-M2-005	<u>1,492</u>
U.S. Department of Transportation:			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	NRT-CO25(96)--9G-25	16,633
Highway Planning and Construction	20.205	STP-ES-C025(90)--8I-25	95,161
			<u>111,794</u>
Iowa Department of Public Safety - Governor's			
Traffic Safety Bureau:			
Alcohol Traffic Safety and Drunk Driving			
Incentive Grants	20.601	PAP 10-410, Task 18	4,618
Alcohol Traffic Safety and Drunk Driving			
Incentive Grants	20.601	PAP 9-410, Task 14	9,304
			<u>13,922</u>
U.S. Department of Health and Human Services:			
Iowa Department of Public Health:			
Hospital Preparedness Program (HPP) and			
Public Health Emergency Preparedness			
(PHEP) Aligned Cooperation Agreements	93.074	5885BT12	5,032
Hospital Preparedness Program (HPP) and			
Public Health Emergency Preparedness			
(PHEP) Aligned Cooperation Agreements	93.074	5885BT13	31,928
			<u>36,960</u>
Immunization Cooperative Agreements	93.268	5882I422	7,719
Immunization Cooperative Agreements	93.268	5885I422	5,797
			<u>13,516</u>
Centers for Disease			
Control and Prevention -			
Investigations and Technical Assistance	93.283	5885NB29	<u>8,060</u>

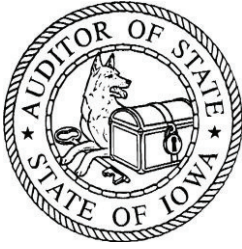
Dallas County  
 Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2015

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Indirect (continued):			
Iowa Department of Public Health:			
PPHF 2012: Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - financed solely by 2012 Prevention and Public Health Funds	93.531	5884HP04	<u>21,104</u>
Preventive Health and Health Services Block Grant Funded Soley with Prevention and Public Health Funds (PPHF)	93.758	5885PHM40	<u>17,282</u>
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Refugee and Entrant Assistance - State Administered Programs	93.566		<u>58</u>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		<u>6,491</u>
Foster Care - Title IV-E	93.658		<u>9,611</u>
Adoption Assistance	93.659		<u>3,038</u>
Medical Assistance Program	93.778		<u>47,093</u>
Children's Health Insurance Program	93.767		<u>153</u>
Social Services Block Grant	93.667		<u>7,701</u>
Social Services Block Grant	93.667		<u>174,604</u>
			<u>182,305</u>
U.S. Department of Homeland Security:			
Iowa Department of Homeland Security and Emergency Management:			
Emergency Management Performance Grants	97.042	EMPG-14-PT-25	9,750
Homeland Security Grant Program	97.042	EMPG-15-PT-25	<u>31,128</u>
			<u>40,878</u>
Total indirect			<u>540,268</u>
Total			<u>\$ 542,494</u>

**Basis of Presentation** – The Schedule of Expenditures of Federal Awards includes the federal grant activity of Dallas County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See accompanying independent auditor's report.

**Dallas County**



OFFICE OF AUDITOR OF STATE  
STATE OF IOWA

State Capitol Building  
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Mary Mosiman, CPA  
Auditor of State

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 U.S. generally accepted auditing standards 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, 2015, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 7, 2016.

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 to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dallas County's internal control. Accordingly, we do not express an opinion on the effectiveness of Dallas County's internal control.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the County's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in Part II of the accompanying Schedule of Findings and Questioned Costs as items II-A-15 and II-B-15 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in Part II of the accompanying Schedule of Findings and Questioned Costs as items II-C-15 through II-E-15 to be significant deficiencies.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dallas County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. 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 non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters which are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2015 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the 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 the Findings


Dallas County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Dallas County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## 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.

  
MARY MOSIMAN, CPA  
Auditor of State

  
WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

June 7, 2016

**Independent Auditor's Report on Compliance  
for Each Major Federal Program and on Internal Control over Compliance  
Required by OMB Circular A-133**



**Dallas County**



OFFICE OF AUDITOR OF STATE  
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Mary Mosiman, CPA  
Auditor of State

Independent Auditor's Report on Compliance  
for Each Major Federal Program and on Internal Control Over Compliance  
Required by OMB Circular A-133

To the Officials of Dallas County:

Report on Compliance for Each Major Federal Program

We have audited Dallas County, Iowa's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015. Dallas County's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Dallas County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Dallas County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for the major federal programs. However, our audit does not provide a legal determination of Dallas County's compliance.

Opinion on Each Major Federal Program

In our opinion, Dallas County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

## Report on Internal Control Over Compliance


The management of Dallas County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Dallas County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Dallas County's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
MARY MOSIMAN, CPA  
Auditor of State

  
WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

June 7, 2016

Dallas County  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2015

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

- (a) Unmodified opinions were issued on the financial statements.
- (b) Significant deficiencies and material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over the major programs were noted.
- (e) Unmodified opinions were issued on compliance with the requirements applicable to the major programs.
- (f) The audit disclosed no audit findings which are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The major programs are:
  - CFDA Number 20.205 – Highway Planning and Construction.
  - CFDA Number 93.667 – Social Services Block Grant.
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Dallas County did not qualify as a low-risk auditee.

Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2015

**Part II: Findings Related to the Financial Statements:**

**INTERNAL CONTROL DEFICIENCIES:**

II-A-15 Segregation of Duties – During our review of internal control, the existing procedures are evaluated in order to determine incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and, therefore, maximizes the accuracy of the County's financial statements. Generally, one or two individuals in the offices identified may have control over the following areas for which no compensating controls exist:

	Applicable Offices
(1) Disbursements – processing claims, check writing, check signing and final approval.	County Sheriff
(2) Payroll – preparation and distribution	County Extension Office
(3) Bank reconciliations – no evidence of independent review.	County Extension Office

In addition, for the County Extension Office, certain timesheets are not independently reviewed.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, each official should review the operating procedures of their office to obtain the maximum internal control possible under the circumstances. The official 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 should be documented by the signature or initials of the reviewer and the date of the review.

Responses –

County Sheriff – There is no real resolution for this issue. Because of the amount of staff on each shift, it is not possible to segregate this duty. However, jailers are restricted in the software program and the Jail Sergeant and First Chief Deputy are the only ones able to make changes or override a check.

County Extension Office – We have taken steps to ensure all timesheets are independently reviewed and payroll is reviewed by a person who is not the bookkeeper.

Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2015

Conclusions – County Extension Office response is accepted. County Sheriff’s response is acknowledged. The County Sheriff’s Office should utilize current personnel, including the elected official and personnel from other offices, to provide additional control through review of financial transactions, reconciliations and reports.

II-B-15 Financial Reporting – Material amounts of capital assets and receivables were not properly recorded in the County’s financial statements. Adjustments were subsequently made by the County to properly record these amounts in the financial statements.

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

Response – The Dallas County Department of Finance and Operations acknowledges and will adhere to the recommendation and will implement a policy for a second review of the financial statements.

Conclusion – Response accepted.

II-C-15 County Sheriff - The County Sheriff’s Office does not prepare a year-to-date spreadsheet of receipts and disbursements reconciled to the beginning and ending bank balances. Also, a trust on hand listing was not prepared as of June 30, 2015.

In addition, bank reconciliations were not performed in a manner so a third party can clearly review the bank reconciliation and reconciliations were not performed at the end of the fiscal year, regardless of the bank statement date. Lists of outstanding checks and other reconciling items are not maintained for each account. Checks outstanding for more than 90 days are not cancelled in accordance with the County Sheriff’s Office policy. Deposits in transit are not investigated if they remain outstanding for more than one month.

Recommendation – The County Sheriff’s Office should prepare a year-to-date spreadsheet of receipts and disbursements which should reconcile to the beginning and ending book balances. Additionally, a trusts on hand listing should be prepared at month end and should reconcile to the bank and cashbook balances.

The County Sheriff’s Office should prepare year end bank reconciliations for each account, regardless of the ending date of the bank statement. Bank statements can be requested to correspond with each month end to reduce the amount of bank reconciliations to be prepared. Bank reconciliations should include documentation which clearly lists the bank balance, the book balance, a detailed list of outstanding checks, deposits in transit and other reconciling items. The reconciling items list should be reviewed on a monthly basis. Any deposits or other reconciling items which remain outstanding for multiple months should be investigated and resolved.

Response – We will work to implement the recommendations.

Conclusion – Response accepted.

Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2015

- II-D-15 Tax Increment Abstract - The abstract of taxes levied did not agree with the tax increment requests authorized for each taxing district. The abstract included tax increments at maximum authorized levels in districts in which a reduced request had been made.

Recommendation - In accordance with Chapter 443 of the Code of Iowa, the County Auditor is responsible for transferring the "tax list" to the County Treasurer. The County should work with its software provider to properly reflect tax increment collections at the anticipated requested amount rather than the maximum available.

Response - We will work closely with Solutions to ensure this does not happen in the future.

Conclusion - Response accepted.

- II-E-15 County Conservation Board - A Conservation grant reimbursement of approximately \$50,000 was recorded as a negative disbursement (netted against disbursements) rather than as grant revenue, resulting in an understatement of revenues and expenditures.

Recommendation - Procedures should be established to ensure revenues and expenditures are properly recorded at gross amounts.

Response - We will monitor this so it does not happen again.

Conclusion - Response accepted.

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2015

**Part III: Findings and Questioned Costs For Federal Awards:**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**INTERNAL CONTROL DEFICIENCIES:**

No material weaknesses in internal control over the major programs were noted.



Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2015

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

IV-A-15 Certified Budget – Disbursements during the year ended June 30, 2015 did not exceed the amounts budgeted by function. Disbursements in one department exceeded the amount appropriated prior to the Board of Supervisor’s resolution to increase the appropriation.

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

Response – The Department of Finance and Operations will work closely with each department to determine budgetary disbursements remaining and, if necessary, make corrections before the end of the fiscal year to ensure each department stays within their budget and appropriations.

Conclusion – Response accepted.

IV-B-15 Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.

IV-C-15 Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

IV-D-15 Business Transactions – No business transactions between the County and County officials or employees were noted.

IV-E-15 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.

IV-F-15 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

IV-G-15 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.

IV-H-15 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).

Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2015

- IV-I-15 Annual Urban Renewal Report (AURR) – The Annual Urban Renewal Report (AURR) was properly approved and certified to the Iowa Department of Management on or before December 1. However, the amount reported as TIF debt outstanding for the Ortonville Business Park urban renewal area was overstated by \$1,178,455.
- Recommendation – The County should ensure the amounts reported on the Levy Authority Summary agree with the County’s records.
- Response – We will take action to ensure amounts reported on the Levy Authority Summary agree with County records.
- Conclusion – Response accepted.
- IV-J-15 Tax Increment Financing – In prior years, the County certified \$3,190,097 of principal and interest on its 2000 general obligation notes as a tax increment financing (TIF) obligation. However, only \$2,011,642 of the note principal and interest were to be paid with TIF revenues. The remaining \$1,178,455 was to be paid from a debt service levy.
- Recommendation – The County should de-certify the amount of current and prior year TIF obligations that had been paid for by other sources than TIF funds.
- Response – We have taken action to decertify tax increment financing and will more closely monitor TIF certifications in the future.
- Conclusion – Response accepted.
- IV-K-15 Payroll Calculation Method – For the year ended June 30, 2015, all salaried employees were paid compensation in excess of authorized salary in the amount equal to one day’s pay due to an error in the payroll calculation method.
- Recommendation - The Board of Supervisors should consult legal counsel to determine the disposition of the matter.
- Response – Elected official salaries for the remainder of fiscal year 2016 will be adjusted to ensure the total does not exceed the annual salary approved by Board resolution. Going forward, non-elected official salaries will be presented in biweekly format to the Board of Supervisors for approval and elected official pay will be calculated and paid so as not to exceed approved amounts.
- Conclusion – Response accepted.
- IV-L-15 Financial Condition – The Special Revenue, Tax Increment Financing Fund had a deficit balance of \$1,936 at June 30, 2015.
- Recommendation – The County should investigate alternatives to eliminate this deficit to return the fund to a sound financial position.
- Response – The County will look for ways to eliminate the deficit and return the fund to a sound financial position.
- Conclusion – Response accepted.

Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2015

IV-M-15 Cash Basis Annual Financial Report – The County’s cash basis Annual Financial Report (AFR) was completed and published as required. However, the Heart of Iowa Mental Health Region (Mental Health Region) Agency Fund activity was incorrectly included in the report.

Recommendation – The County’s cash basis AFR should be amended to exclude the Mental Health Region activity.

Response – The fiscal year 2015 cash basis AFR has been amended.

Conclusion – Response accepted.

IV-N-15 County Extension Office – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an Extension Council separate and distinct from County operations and, consequently, is not included in Exhibits A or B.

Disbursements during the year ended June 30, 2015 for the County Extension Office did not exceed the amount budgeted.

Dallas County

Staff

This audit was performed by:

Marlys K. Gaston, CPA, Director  
Katherine L. Rupp, CPA, Senior Auditor II  
Brandon J. Vogel, Senior Auditor II  
Marcus B. Johnson, Staff Auditor  
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