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ISSUER COMMENT
2 December 2021

RATING

General Obligation (or GO Related) [1]	
Aaa	Stable

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Dallas County, IA

Annual Comment on Dallas County

Issuer Profile

Dallas County is located in central Iowa, immediately west of the Des Moines metro area. The county seat of Adel is approximately 20 miles west of downtown Des Moines. The county has a population of 87,099 and a moderate population density of 149 people per square mile. The county's median family income is $111,131 (1st quartile) and the September 2021 unemployment rate was 2% (1st quartile) [2] . The largest industry sectors that drive the local economy are finance/insurance, retail trade, and health services.

Credit Overview

Dallas County has an excellent credit position and its Aaa rating is stronger than the median rating of Aa2 for US counties. Notable credit factors include a robust financial position, a substantial tax base and a strong resident wealth and income profile. It also reflects a small debt burden and a moderate pension liability.

Finances: The financial position of the county is superb and is in line with the assigned rating of Aaa. Cash balance as a percent of operating revenue (47.8%) is a little stronger than the US median. The county's fund balance as a percent of operating revenue (42.7%) is also slightly higher than the US median.

Economy and Tax Base: The economy and tax base of the county are very healthy. Full value ($12 billion) is slightly above the US median. In addition, median family income equals a strong 143.8% of the US level. Lastly, full value per capita ($137,420) is much higher than other Moody's-rated counties nationwide.

Debt and Pensions: Overall, the debt and pension liabilities of Dallas County are manageable. Net direct debt to full value (0.2%) is slightly below the US median. In addition, the county's Moody's-adjusted net pension liability to operating revenue (0.95x) is slightly lower than the US median.

Management and Governance: Iowa counties have an institutional framework score [3] of "Aaa," which is very strong. Even with a property tax cap on the general levy, counties have high revenue-raising ability as they may increase supplemental levies, without limit, for purposes such as employee benefits. Unpredictable revenue fluctuations tend to be minor given the stability of the sector's primary revenue source, which are property taxes. Expenditures mostly consist of personnel costs, which are highly predictable. Iowa's public employee collective bargaining law limits the scope of bargaining to base wages for non-public safety employees. Across the sector, fixed costs are generally moderate and are driven mainly by debt service.

EXHIBIT 1

Key Indicators [4] [5] Dallas County

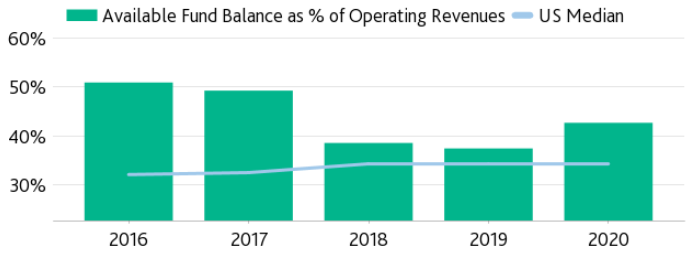
	2016	2017	2018	2019	2020	US Median	Credit Trend
Economy / Tax Base							
Total Full Value	$9,045M	$9,839M	$10,502M	$11,378M	$11,969M	$8,266M	Improved
Full Value Per Capita	$115,858	$121,683	$125,023	$130,642	$137,420	$88,050	Improved
Median Family Income (% of US Median)	146%	148%	147%	144%	144%	93%	Stable
Finances							
Available Fund Balance as % of Operating Revenues	50.9%	49.3%	38.6%	37.4%	42.7%	34.3%	Weakened
Net Cash Balance as % of Operating Revenues	53.8%	53.2%	43.3%	39.5%	47.8%	39.5%	Weakened
Debt / Pensions							
Net Direct Debt / Full Value	0.2%	0.1%	0.3%	0.3%	0.2%	0.5%	Stable
Net Direct Debt / Operating Revenues	0.47x	0.38x	1.00x	0.75x	0.62x	0.56x	Stable
Moody's-adjusted Net Pension Liability (3-yr average) to Full Value	0.3%	0.3%	0.3%	0.3%	0.3%	1.2%	Stable
Moody's-adjusted Net Pension Liability (3-yr average) to Operating Revenues	0.99x	1.06x	1.14x	1.00x	0.95x	1.39x	Stable

	2016	2017	2018	2019	2020	US Median
Debt and Financial Data						
Population	78,074	80,864	84,002	87,099	87,099	N/A
Available Fund Balance ($000s)	$15,017	$15,505	$12,393	$14,456	$17,536	$26,112
Net Cash Balance ($000s)	$15,868	$16,736	$13,920	$15,254	$19,641	$30,464
Operating Revenues ($000s)	$29,477	$31,465	$32,141	$38,613	$41,080	$72,972
Net Direct Debt ($000s)	$13,922	$11,808	$32,057	$28,893	$25,548	$40,647
Moody's Adjusted Net Pension Liability (3-yr average) ($000s)	$29,215	$33,422	$36,555	$38,545	$39,065	$97,433

Source: Moody's Investors Service

EXHIBIT 2

Available fund balance as a percent of operating revenues decreased from 2016 to 2020

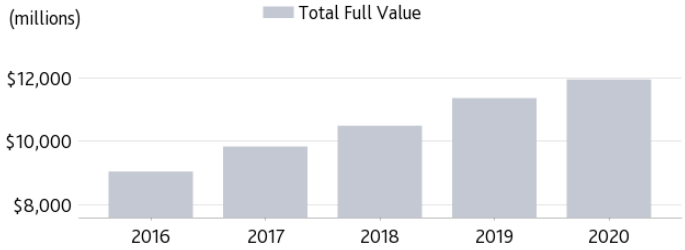


Source: Issuer financial statements; Moody's Investors Service

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.

EXHIBIT 3

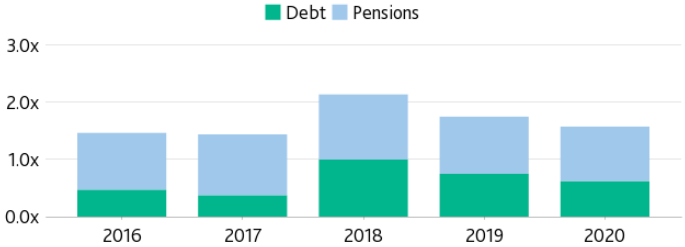
Full value of the property tax base increased from 2016 to 2020



Source: Issuer financial statements; Government data sources; Offering statements; Moody's Investors Service

EXHIBIT 4

Moody's-adjusted net pension liability to operating revenues decreased from 2016 to 2020



Source: Issuer financial statements; Government data sources; Offering statements; Moody's Investors Service

Endnotes

1 The rating referenced in this report is the issuer's General Obligation (GO) rating or its highest public rating that is GO-related. A GO bond is generally backed by the full faith and credit pledge and total taxing power of the issuer. GO-related securities include general obligation limited tax, annual appropriation, lease revenue, non-ad valorem, and moral obligation debt. The referenced ratings reflect the government's underlying credit quality without regard to state guarantees, enhancement programs or bond insurance.

2 The demographic data presented, including population, population density, per capita personal income and unemployment rate are derived from the most recently available US government databases. Population, population density and per capita personal income come from the American Community Survey while the unemployment rate comes from the Bureau of Labor Statistics.

The largest industry sectors are derived from the Bureau of Economic Analysis. Moody's allocated the per capita personal income data and unemployment data for all counties in the US census into quartiles. The quartiles are ordered from strongest-to-weakest from a credit perspective: the highest per capita personal income quartile is first quartile, and the lowest unemployment rate is first quartile.

3 The institutional framework score assesses a municipality's legal ability to match revenues with expenditures based on its constitutionally and legislatively conferred powers and responsibilities. See US Local Government General Obligation Debt (July 2020) methodology report for more details.

4 For definitions of the metrics in the Key Indicators Table, US Local Government General Obligation Methodology and Scorecard User Guide (July 2014) . Metrics represented as N/A indicate the data were not available at the time of publication.

5 The medians come from our most recently published local government medians report, Medians - Tax base and revenue increases outpace growth of long-term liabilities (May 2021) which is available on Moodys.com. The medians presented here are based on the key metrics outlined in Moody's GO methodology and the associated scorecard.

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