

DUBUQUE COUNTY

DUBUQUE COUNTY

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DUBUQUE COUNTY

DUBUQUE COUNTY OFFICIALS

Name	Title	Term Expires
Donna Smith	Board of Supervisors	January, 2007
Eric Manternach	Board of Supervisors	January, 2007
Wayne Demmer	Board of Supervisors	January, 2009
Denise Dolan	County Auditor	January, 2009
Eric Stierman	County Treasurer	January, 2007
Kathy Flynn Thurlow	County Recorder	January, 2007
Ken Runde	County Sheriff	January, 2009
Fred McCaw	County Attorney	January, 2007
Dave Kubik	County Assessor	January, 2010
Rick Engelken	City Assessor	January, 2008



CPAs & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Officials of Dubuque County:

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Dubuque County, Iowa, as of and for the year ended June 30, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Dubuque County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Dubuque County as of June 30, 2005, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2005, on our consideration of Dubuque County's internal control over financial reporting and 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* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dubuque County's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2005, (none of which are presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 4 and the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Eide Bailly LLP

Dubuque, Iowa
November 3, 2005

MANAGEMENT'S DISCUSSION AND ANALYSIS

Dubuque County provides this management's discussion and analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with the County's financial statements, which follow.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded the liabilities at the close of the most recent fiscal year by \$77,417,563 (*net assets*). Of this amount, \$3,867,140 (*unrestricted net assets*) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's net assets increased by \$1,808,755.
- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$16,613,876, an increase of \$749,395 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$3,527,965, or 14% of total general fund expenditures.
- Total debt decreased by \$ 404,448 (10.7 percent) during the current fiscal year.

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 assets and a statement of activities. These provide information about the activities of Dubuque 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 Dubuque County's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Dubuque County acts solely as an agent or custodian for the benefit of those outside of County government.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the County's budget for the year.

Other supplementary information provides detailed information about the nonmajor special revenue, the debt service, the capital projects, and the individual fiduciary funds.

Reporting the County as a Whole

The Statement of Net Assets and the Statement of Activities

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The statement of net assets and the statement of activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities 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 assets presents all of the County's assets and liabilities, with the difference between the two reported as "net assets." Over time, increases or decreases in the County's net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the event or 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 periods.

The County's governmental activities are displayed in the statement of net assets and the statement of activities. The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through users fees and charges (*business-type 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 other non-program activities. Property tax and state and federal grants finance most of these activities. The County has no business-type activities.

The government-wide financial statements can be found on pages 13-14 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The County has two 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. These governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Mental Health, Rural Services, Secondary Roads, and Local Option Tax, 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 one determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

The County maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, mental health services fund, rural services, secondary roads fund and the local option tax fund, all of which are considered to be major funds. Data from the other ten funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The governmental funds required financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

The basic governmental fund financial statements can be found on pages 15-18 of this report.

- 2) Fiduciary funds are used to report assets held in a trust or agency capacity for others and cannot be used to support the County's own programs. These fiduciary funds include agency funds that account for emergency management services, joint E911 services and the county and city assessors to name a few.

The fiduciary funds required financial statements include a statement of fiduciary assets and liabilities.

The basic fiduciary fund financial statement can be found on page 19 of this report.

A summary reconciliation between the government-wide financial statements and the governmental fund financial statements follows the governmental fund financial statements.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20-35 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's actual results in comparison to their original and amended budgets. Required supplementary information can be found on pages 36-38 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining fund statements and schedules can be found on pages 39-40 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceeded liabilities by \$ 77,417,563 at the close of the most recent fiscal year.

Dubuque County, Iowa Net Assets of Governmental Activities

	June 30	
	2005	2004 (As Restated)
Current and other assets	\$ 40,219,350	\$ 39,445,766
Capital assets	<u>65,391,118</u>	<u>64,356,670</u>
Total assets	<u>105,610,468</u>	<u>103,802,436</u>
Long-term liabilities outstanding	4,740,777	5,276,411
Other liabilities	<u>23,452,128</u>	<u>22,917,217</u>
Total liabilities	<u>28,192,905</u>	<u>28,193,628</u>
Net assets:		
Invested in capital assets, net of related debt	62,791,118	61,386,670
Restricted	10,759,305	12,768,569
Unrestricted	<u>3,867,140</u>	<u>1,453,569</u>
Total net assets	<u>\$ 77,417,563</u>	<u>\$ 75,608,808</u>

The largest portion of the County's net assets (81%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased from \$1,453,569 at June 30, 2004 to \$3,867,140 at the end of this year, an increase of 266 percent.

Governmental activities. Governmental activities increased the County's net assets by \$1,808,755. A condensed version of the Statement of Activities as of June 30, 2005 follows:

Dubuque County, Iowa
Changes in Net Assets of Governmental Activities

	Year Ended June 30	
	2005	2004 (As Restated)
Revenues:		
Program Revenues:		
Fees, fines and charges for service	\$ 9,704,068	\$ 8,654,201
Operating grants and contributions	5,461,809	6,153,206
Capital grants and contributions	2,214,908	2,619,058
General Revenues:		
Property taxes	19,032,543	17,401,322
Penalty and interest on property tax	165,349	165,622
State tax credits	3,579,513	3,929,626
Local option sales tax	2,802,107	2,869,485
Unrestricted investment earnings	542,367	368,471
Gain on sale of capital assets	15,669	-
Miscellaneous	492,049	438,685
Total revenues	44,010,382	42,599,676
Expenses:		
Public safety and legal services	9,427,370	9,438,759
Physical health and social services	11,318,939	6,442,747
Mental health	8,038,186	12,086,058
County environment and education	1,644,704	2,112,104
Roads and transportation	7,683,357	8,803,028
Governmental services to residents	1,297,059	1,230,622
Administration	2,650,673	2,590,035
Non-program	11,315	50,276
Interest on long-term debt	130,024	145,370
Total expenses	42,201,627	42,898,999
Change in net assets	1,808,755	(299,323)
Beginning net assets (2004 restated)	75,608,808	75,908,131
Ending net assets	\$ 77,417,563	\$ 75,608,808

-- Taxes increased by approximately \$1,631,221, or 9%, during the year. This increase represents a taxable valuation growth of 2.1-percent and a 49-cent increase in the general fund levy.

- Capital Grants decreased due to less state participation projects with the Secondary Road department which occurred during the year.

Financial Analysis of the Government's Funds

As noted earlier, the County used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$16,613,876, an increase of \$749,395 in comparison with the prior year. The *unreserved fund balance* of \$12,677,312, which is available for spending at the County's discretion, decreased \$1,842,726 with the reserve for inventories increasing \$215,685. The *designated* fund balance of \$900,000 represents tentative management plans that are subject to change. The remainder of the fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved undesignated fund balance of the general fund was \$2,627,965, while the total fund balance reached \$6,160,142. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 14% of total general fund expenditures, while total fund balance represents 24% of that same amount.

The fund balance of the County's general fund increased \$721,508 during the current fiscal year. Key factors in this increase are as follows:

- Property taxes increased greatly, \$1,631,221, as a result of taxable valuation growth of 2.1-percent and a 49-cent increase in the general fund levy.
- An increase in administrative costs, including a 15% increase in health insurance expenses of over \$600,000.

The rural services fund has a total deficit fund balance of \$5,025, which is a decrease of \$21,697 from the prior year. Key factors in this decrease are as follows:

- Decrease in valuation of almost 1% and resulting decrease in taxes of over \$44,000 (2%).

The secondary roads fund has a total fund balance of \$1,688,170, which is an increase of \$231,852 from the prior year. Key factors in this increase are as follows:

- Expenses decreased approximately \$588,000.
- Non-tax revenues increased approximately \$136,000.

The mental health fund has a total fund balance of \$1,990,938, which is a decrease of \$2,262,061 from the prior year. Key factors in this decrease are as follows:

- The transfer of accounting for the Sunrise Unit at Sunnycrest Manor to the General Fund

The local option tax fund has a total fund balance of \$ 4,939,823, which is an increase of \$2,878,583 from the prior year. Key factors in this increase are as follows:

- Timing of road construction projects decreased expenses by approximately \$3.8-million.

General Fund Budgetary Highlights

In accordance with the Code of Iowa, the Board of Supervisors annually adopts a budget following a required public notice and hearing for all governmental funds. Although the budget document presents functional disbursements by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The County budget is prepared on the cash basis.

Over the course of the year, the County amended its operating budget three times.

The first amendment, on September 20, 2004, increased receipts by \$ 814,341 and disbursements by \$ 3,815,350. This amendment revised receipts and disbursements to reflect monies budgeted in the previous fiscal year which were not received or expended until the current fiscal year. \$2.2 million of the increase in disbursements was due to delays in the capital projects for the Swiss Valley Nature Center, approximately \$81,000; exterior work on the Old Jail, approximately \$138,000; and the jail addition to the Law Enforcement Center, approximately \$524,000; \$2 million was due to the timing of road construction projects.

The second amendment, on March 28, 2005, increased receipts by \$1,869,637 and disbursements by \$ 1,127,042. These increases reflected changes made by the Board of Supervisors during departmental worksessions for preparation of the FY06 budget. The majority of the revenue increase was due to grant awards that were unknown during original budget preparation. Disbursements included increased personnel costs for opening of the jail addition and grant awards that were received after preparation of the original budget.

The third amendment, on May 23, 2005, increased receipts by \$669,657 and decreased disbursements by \$3,265,076. Increased local option tax revenues contributed to the majority of the change in receipts, while changes in contracts and change orders for construction projects attributed to the increased expenses.

The net increase in receipts of \$3,353,635 resulted in an amended total of \$42,472,136. The net increase in disbursements of \$1,677,316 resulted in an amended total of \$46,493,463.

Actual disbursements for the year totaled \$42,303,886 or \$4,189,577 less than the final amended budget. The largest factor contributing to the difference was in capital projects which was \$2,622,806 less than budget due to seasonal timing of road construction projects in the local option tax fund and delays in the jail addition to the Law Enforcement Center in the Capital Projects fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of FY05, Dubuque County had \$65,391,118 invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This amount represents a net increase (including additions and deletions) of \$1,034,448, or 2 percent over last year.

Capital Assets of Governmental Activities at Year End

	June 30	
	2005	2004 (As Restated)
Land	\$ 2,680,091	\$ 2,360,591
Buildings and improvements	13,211,503	12,617,947
Machinery and equipment	5,033,983	5,282,956
Infrastructure	41,612,385	41,299,353
Construction in progress	2,853,156	2,795,823
Totals	\$ 65,391,118	\$ 64,356,670

The County had depreciation expense of \$3,692,709 for the year ended June 30, 2005, and total accumulated depreciation as of June 30, 2005 of \$37,524,432.

The County's fiscal year 2005 capital budget included approximately \$ 2.9-million for capital projects, principally an additional \$ 2.2-million for the jail addition to the Law Enforcement Center, an additional approximately \$150,000 for remodeling of the Court House, and an additional approximately \$188,000 for construction of the addition to the Swiss Valley Nature Center. Also included were \$134,749 for continued upgrading of secondary roads and bridges, including the Balltown Overlook. The County has no plans to issue additional debt to finance these projects. The County will continue to use proceeds of bonds sold in 2001 and resources on hand in the County's fund balance.

Additional information on the County's capital assets can be found in note 6 on pages 28 and 29 of this report.

Debt

At year-end, the County had total outstanding debt of \$4,740,777 in bonds and other debt compared to \$5,276,411 last year, a decrease of \$535,634 (10.2%), as detailed below:

Outstanding Debt of Governmental Activities at Year-End

	2005	2004
General obligation bonds	\$ 2,600,000	\$ 2,970,000
Rural economic development loan	765,711	800,159
Compensated absences	1,375,066	1,253,002
Claims payable	<u>-</u>	<u>253,250</u>
Totals	<u>\$ 4,740,777</u>	<u>\$ 5,276,411</u>

For more detailed information on the County's debt and amortization terms, please refer to note 8 on page 30 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the County is currently 4.6%, unchanged from the previous year and comparable with the State of Iowa rate of 3.8% and the 4.7% national rate. Currently, there are 55,000 jobs in Dubuque County, an increase of 2,200 from the previous year.

Taxes levied for fiscal year 2006 will increase by \$794,831, or 4% from the fiscal year 2005 budget. This increase represents a taxable valuation growth of 3.9% and a ½ cent increase in the general fund levy.

The 2006 county wide levy rate is \$6.08 per thousand dollars of taxable value. Net property tax revenue represents 44.9% of total revenues, an increase from 45.8% in 2005. Rural residents will pay \$9.25 per thousand dollars of taxable value, including the rural service levy of \$3.16.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Dubuque County's finances and to show the County's accountability for the money it received. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Dubuque County Auditor's Office, 720 Central Avenue, Dubuque, Iowa 52001.

DUBUQUE COUNTY

DUBUQUE COUNTY
STATEMENT OF NET ASSETS
JUNE 30, 2005

Exhibit A

	<u>Primary Governmental Activities</u>	<u>Component Unit Drug Task Force</u>
ASSETS		
Cash and pooled investments	\$ 16,376,919	\$ 83,140
Receivables:		
Property tax:		
Delinquent	40,886	-
Succeeding year	20,116,070	-
Interest and penalty on property tax	104,000	-
Accounts	274,577	-
Accrued interest	180,093	-
Due from other governments	1,402,937	-
Prepaid expenses	331,520	-
Inventories	616,169	-
Notes receivable	776,179	-
Capital assets:		
Land and construction in progress, not being depreciated	5,533,247	-
Other capital assets (net of accumulated depreciation)	<u>59,857,871</u>	<u>-</u>
Total assets	<u>105,610,468</u>	<u>83,140</u>
LIABILITIES		
Accounts payable	1,365,435	-
Accrued interest payable	11,954	-
Salaries and benefits payable	1,174,086	-
Due to other governments	784,583	-
Unearned revenue	20,116,070	-
Long-term liabilities:		
Portion due or payable within one year:		
Notes payable	34,793	-
Bonds payable	390,000	-
Compensated absences	638,031	-
Portion due or payable after one year:		
Notes payable	730,918	-
Bonds payable	2,210,000	-
Compensated absences	<u>737,035</u>	<u>-</u>
Total liabilities	<u>28,192,905</u>	<u>-</u>
NET ASSETS		
Invested in capital assets, net of related debt	62,791,118	-
Restricted for:		
Supplemental levy purposes	540,352	-
Mental health purposes	1,995,861	-
Secondary roads purposes	1,688,170	-
Debt service	2	-
Capital projects	(62,960)	-
Other purposes	6,597,880	-
Unrestricted	<u>3,867,140</u>	<u>83,140</u>
Total net assets	<u>\$ 77,417,563</u>	<u>\$ 83,140</u>

See notes to financial statements.

DUBUQUE COUNTY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2005

Functions/Programs:	Expenses	Program Revenues		
		Fees, Fines and Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Public safety and legal services	\$ 9,427,370	\$ 647,381	\$ 730,988	\$ -
Physical health and social services	11,318,939	6,698,457	692,482	-
Mental health	8,038,186	393,939	688,832	-
County environment and education	1,644,704	370,689	137,576	-
Roads and transportation	7,683,357	237,369	3,211,931	1,597,795
Governmental services to residents	1,297,059	1,280,462	-	-
Administration	2,650,673	59,204	-	-
Non-program	11,315	16,567	-	617,113
Interest on long-term debt	130,024	-	-	-
Total primary government	<u>\$ 42,201,627</u>	<u>\$ 9,704,068</u>	<u>\$ 5,461,809</u>	<u>\$ 2,214,908</u>
Component unit:				
Drug Task Force	<u>\$ 19,741</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:
Property and other County tax levied for:
 General purposes
 Debt service
Penalty and interest on property tax
State tax credits
Local option sales tax
Unrestricted investment earnings
Gain on sale of capital assets
Miscellaneous
 Total general revenues
Change in net assets
Net assets beginning of year, as restated
Net assets end of year

See notes to financial statements.

Net (Expense) Revenue and Changes in Net Assets	
<u>Primary Government</u>	<u>Component Unit</u>
<u>Governmental Activities</u>	<u>Drug Task Force</u>
\$ (8,049,001)	
(3,928,000)	
(6,955,415)	
(1,136,439)	
(2,636,262)	
(16,597)	
(2,591,469)	
622,365	
(130,024)	
<u>(24,820,842)</u>	
	\$ <u>(19,741)</u>
18,560,668	-
471,875	-
165,349	-
3,579,513	-
2,802,107	-
542,367	642
15,669	-
<u>492,049</u>	<u>30,198</u>
<u>26,629,597</u>	<u>30,840</u>
1,808,755	11,099
<u>75,608,808</u>	<u>72,041</u>
<u>\$ 77,417,563</u>	<u>\$ 83,140</u>

DUBUQUE COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2005

	Special		
	General	Rural Services	Secondary Roads
Assets			
Cash and pooled investments	\$ 5,938,357	\$ 24,938	\$ 1,125,962
Receivables:			
Property tax:			
Delinquent	28,103	6,713	-
Succeeding year	13,459,783	2,545,189	-
Interest and penalty on property tax	104,000	-	-
Accounts	273,995	-	-
Accrued interest	171,960	-	7,945
Due from other funds	29,578	-	-
Due from other governments	897,533	-	260,984
Inventories	69,039	-	547,130
Prepaid expenses	331,520	-	-
Notes receivable	24,429	-	-
	<u>21,328,297</u>	<u>2,576,840</u>	<u>1,942,021</u>
Total assets	<u>\$ 21,328,297</u>	<u>\$ 2,576,840</u>	<u>\$ 1,942,021</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 530,715	\$ 11,826	\$ 116,530
Salaries and benefits payable	1,008,959	18,281	137,321
Due to other funds	-	-	-
Due to other governments	15,717	87	-
Deferred revenue:			
Succeeding year property tax	13,459,783	2,545,189	-
Other	152,981	6,482	-
	<u>15,168,155</u>	<u>2,581,865</u>	<u>253,851</u>
Total liabilities	<u>15,168,155</u>	<u>2,581,865</u>	<u>253,851</u>
Fund balances:			
Reserved for:			
Inventories	69,039	-	547,130
Supplemental levy purposes	2,538,709	-	-
Notes receivable	24,429	-	-
Debt service	-	-	-
Unreserved:			
Designated	900,000	-	-
Undesignated, reported in:			
General fund	2,627,965	-	-
Special revenue funds	-	(5,025)	1,141,040
Capital projects fund	-	-	-
	<u>6,160,142</u>	<u>(5,025)</u>	<u>1,688,170</u>
Total fund balances	<u>6,160,142</u>	<u>(5,025)</u>	<u>1,688,170</u>
	<u>\$ 21,328,297</u>	<u>\$ 2,576,840</u>	<u>\$ 1,942,021</u>
Total liabilities and fund balances	<u>\$ 21,328,297</u>	<u>\$ 2,576,840</u>	<u>\$ 1,942,021</u>

See notes to financial statements.

<u>Revenue</u>			
<u>Mental Health</u>	<u>Local Option Tax</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 3,203,795	\$ 4,767,036	\$ 1,316,831	\$ 16,376,919
5,129	-	941	40,886
3,614,137	-	496,961	20,116,070
-	-	-	104,000
582	-	-	274,577
-	-	188	180,093
-	-	-	29,578
23,994	220,426	-	1,402,937
-	-	-	616,169
-	-	-	331,520
-	45,000	706,750	776,179
<u>\$ 6,847,637</u>	<u>\$ 5,032,462</u>	<u>\$ 2,521,671</u>	<u>\$ 40,248,928</u>
\$ 430,722	\$ 91,674	\$ 183,968	\$ 1,365,435
9,525	-	-	1,174,086
29,578	-	-	29,578
767,814	965	-	784,583
3,614,137	-	496,961	20,116,070
4,923	-	914	165,300
<u>4,856,699</u>	<u>92,639</u>	<u>681,843</u>	<u>23,635,052</u>
-	-	-	616,169
-	-	-	2,538,709
-	45,000	706,749	776,178
-	-	5,508	5,508
-	-	-	900,000
-	-	-	2,627,965
1,990,938	4,894,823	1,190,531	9,212,307
-	-	(62,960)	(62,960)
<u>1,990,938</u>	<u>4,939,823</u>	<u>1,839,828</u>	<u>16,613,876</u>
<u>\$ 6,847,637</u>	<u>\$ 5,032,462</u>	<u>\$ 2,521,671</u>	<u>\$ 40,248,928</u>

DUBUQUE COUNTY
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2005

Exhibit D

Total governmental fund balances \$ 16,613,876

Amounts reported for governmental activities in the statement
of net assets are different because:

Capital assets used in governmental activities are not current financial
resources and therefore are not reported in the funds. Those
assets consist of:

Land and land improvements, net of \$121,659 accumulated depreciation	\$ 2,817,044	
Construction in progress	2,853,156	
Infrastructure, net of \$22,617,250 accumulated depreciation	41,612,384	
Buildings and improvements, net of \$6,758,116 accumulated depreciation	13,074,551	
Equipment, net of \$8,027,407 accumulated depreciation	<u>5,033,983</u>	
Total capital assets		65,391,118

Some of the County's revenue will be collected after year-end,
but is not available soon enough to pay for the current period's
expenditures, and therefore is reported as deferred
revenue in the funds. 165,300

Long-term liabilities applicable to the County's governmental
activities are not due and payable in the current period and
accordingly are not reported as fund liabilities. Interest on
long-term debt is not accrued in governmental funds, but rather
is recognized as an expenditure when due. All liabilities - both
current and long-term - are reported in the statement of net
assets. Balances at June 30, 2005, are:

Accrued interest on bonds	(11,954)	
Notes payable	(765,711)	
Bonds payable	(2,600,000)	
Compensated absences	<u>(1,375,066)</u>	
Total long-term liabilities		<u>(4,752,731)</u>

Net assets of governmental activities \$ 77,417,563

DUBUQUE COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2005

	Special		
	General	Rural Services	Secondary Roads
Revenues:			
Property and other County tax	\$ 13,818,615	\$ 2,307,440	\$ -
Interest and penalty on property tax	156,422	-	-
Intergovernmental	8,086,589	173,515	3,184,134
Licenses and permits	74,208	-	1,200
Charges for service	3,425,651	13,929	234,152
Use of money and property	543,083	-	33,511
Miscellaneous	123,950	11,180	17,917
Total revenues	26,228,518	2,506,064	3,470,914
Expenditures:			
Operating:			
Public safety and legal services	9,109,419	-	-
Physical health and social services	11,055,587	-	-
Mental health	-	-	-
County environment and education	1,589,979	485,203	-
Roads and transportation	-	-	5,331,620
Governmental services to residents	1,262,358	-	-
Administration	2,546,948	-	-
Non-program	848	-	-
Debt service	-	-	-
Capital projects	-	-	-
Total expenditures	25,565,139	485,203	5,331,620
Excess (deficiency) of revenues over (under) expenditures	663,379	2,020,861	(1,860,706)
Other financing sources (uses):			
Transfers in (out)	25,495	(2,042,558)	2,042,558
Compensation for loss of capital assets	32,635	-	50,000
Total other financing sources (uses)	58,130	(2,042,558)	2,092,558
Net change in fund balances	721,509	(21,697)	231,852
Fund balances beginning of year, as restated	5,438,633	16,672	1,456,318
Fund balances end of year	\$ 6,160,142	\$ (5,025)	\$ 1,688,170

See notes to financial statements.

Revenue			
Mental Health	Local Option Tax	Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,431,062	\$ 2,802,106	\$ 471,875	\$ 21,831,098
-	-	-	156,422
3,601,889	617,113	46,256	15,709,496
-	-	-	75,408
-	-	35,620	3,709,352
-	-	69,022	645,616
21,886	145,773	-	320,706
<u>6,054,837</u>	<u>3,564,992</u>	<u>622,773</u>	<u>42,448,098</u>
-	-	-	9,109,419
-	-	-	11,055,587
8,132,532	-	-	8,132,532
-	-	5,208	2,080,390
-	-	-	5,331,620
-	-	116,969	1,379,327
-	-	-	2,546,948
-	-	10,467	11,315
-	-	534,650	534,650
-	1,503,752	95,798	1,599,550
<u>8,132,532</u>	<u>1,503,752</u>	<u>763,092</u>	<u>41,781,338</u>
<u>(2,077,695)</u>	<u>2,061,240</u>	<u>(140,319)</u>	<u>666,760</u>
(184,366)	-	158,871	-
-	-	-	82,635
<u>(184,366)</u>	<u>-</u>	<u>158,871</u>	<u>82,635</u>
(2,262,061)	2,061,240	18,552	749,395
<u>4,252,999</u>	<u>2,878,583</u>	<u>1,821,276</u>	<u>15,864,481</u>
<u>\$ 1,990,938</u>	<u>\$ 4,939,823</u>	<u>\$ 1,839,828</u>	<u>\$ 16,613,876</u>

DUBUQUE COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2005

Exhibit F

Net change in fund balances - Total governmental funds \$ 749,395

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

Governmental funds report capital outlays as expenditures. However,
in the statement of activities the cost of those assets is allocated
over their estimated useful lives and reported as depreciation
expense. This is the amount by which capital outlays (\$4,794,122)
exceeded depreciation (\$3,692,709) in the current period. 1,101,413

Bond proceeds and capital leases are reported as financing sources
in governmental funds and thus contribute to the change in fund balances.
In the statement of net assets, however, issuing debt increases long-term
liabilities and does not affect the statement of activities. Repayment of
principal is an expenditure in the governmental funds but reduces the
liability in the statement of net assets.

Repayments 404,448

Revenues in the statement of activities that do not provide current
financial resources are not reported as revenues in the funds. (510,901)

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 governmental funds:

Change in accrued compensated absences (122,064)
Change in legal settlement 253,250
Change in accrued interest on debt 180

In the statement of activities, only the loss on the sale of
capital assets is recognized, whereas in the governmental funds,
the proceeds from the sale increased financial resources.
Thus, the change in net assets differs from the change in fund
balances by the cost of the capital assets sold. (66,966)

Change in net assets of governmental activities \$ 1,808,755

DUBUQUE COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2005

Exhibit G

ASSETS

Cash and pooled investments:	
County Treasurer	\$ 3,698,961
Other County officials	282,343
Receivables:	
Property tax:	
Delinquent	118,415
Succeeding year	71,114,062
Special assessments	14,901
Interest and penalty on property tax	6,441
Accounts	5,191
Accrued interest	715
Due from other governments	<u>7,606</u>
 Total assets	 <u>75,248,635</u>

LIABILITIES

Accounts payable	23,463
Salaries and benefits payable	47,899
Due to other governments	75,011,485
Trusts payable	<u>165,788</u>
 Total liabilities	 <u>75,248,635</u>

NET ASSETS

\$ -

DUBUQUE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Dubuque 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 accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

Reporting Entity

For financial reporting purposes, Dubuque 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 Dubuque County (the primary government) and its component unit. The component unit discussed below is included in the County's reporting entity because of the significance of its operational or financial relationships with the County.

Discretely Presented Component Unit

The component unit column in the financial statements includes the financial data of the Dubuque County-City Drug Task Force. It is reported in a separate column. The following is a summary of the component unit:

Dubuque County and the City of Dubuque have formed the Dubuque County-City Drug Task Force under Chapter 28E of the Code of Iowa. The Task Force receives grant funding which it uses in the enforcement of narcotic laws. Certain County officials serve on the board of the Task Force, and certain County employees also assist in the Task Force's operations. Separate financial statements are not issued for this organization.

DUBUQUE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

Jointly Governed Organizations

The County also 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: Dubuque County Assessor's Conference Board, Dubuque City Assessor's Conference Board, Dubuque County Emergency Management Commission, Dubuque Metropolitan Area Solid Waste Agency, Dubuque County Joint E911 Service Board, and Dubuque County Empowerment Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Agency Funds of the County.

Basis of Presentation

Government-wide Financial Statements – The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the County and its component unit. 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 Assets presents the County's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories.

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

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

Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have 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 and contributions 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 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.

DUBUQUE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

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 that are not paid from other funds.

Special Revenue:

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

The Secondary Roads Fund is used to account for secondary road construction and maintenance.

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

The Local Option Tax Fund is used to account for revenue received from a 1% sales tax to be used for rural road construction.

Additionally, the County reports the following funds:

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.

Measurement Focus and Basis of Accounting

The government-wide 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 period or soon enough thereafter to pay liabilities of the current period. 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.

DUBUQUE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

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 assets 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 both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

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.

Assets, Liabilities, and Fund Equity

The following accounting policies are followed in preparing the balance sheet:

Cash 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 consist of certificates of deposit which are stated at cost.

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 deferred 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 becomes 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, 2003, assessed property valuations; is for the tax accrual period July 1, 2004, through June 30, 2005, and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March, 2004.

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.

DUBUQUE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

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 have not been paid or received as of June 30, 2005, 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 General Fund and 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, and infrastructure assets (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the government), are reported in the governmental activities column in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost or estimated 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. There are no capitalization thresholds for land and buildings. Acquisitions for land and buildings are recorded.

<u>Asset Class</u>	<u>Amount</u>
Infrastructure	\$ 50,000
Building improvements	5,000
Machinery, equipment, and vehicles	5,000

Capital assets of the County are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	15 – 50
Building improvements	10 – 25
Infrastructure	10 – 65
Machinery, equipment, and vehicles	5 – 20

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.

Deferred Revenue - Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of property tax receivable and other receivables not collected within sixty days after year end.

DUBUQUE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

Unearned revenue in the Statement of Net Assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Compensated Absences - County employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, death, or retirement. A liability is recorded when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2005. The compensated absences liability attributable to the governmental activities will be paid primarily by the General, Rural Services, Secondary Roads, and Mental Health Funds.

Long-term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

Fund Equity – In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2005, disbursements exceeded the amounts budgeted in the non-program and physical health and social services functions and disbursements in certain departments exceeded the amounts appropriated.

NOTE 2 – CASH AND POOLED INVESTMENTS

The County's deposits in banks at June 30, 2005, 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 insure there will be no loss of public funds.

The County is authorized by state 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 no investments subject to risk categorization at June 30, 2005.

DUBUQUE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

Interest Rate Risk. The County’s investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the County. The County did not hold any investments with a maturity greater than 397 days during the year.

Credit Risk. The County’s investment policy limits investments in commercial paper and other corporate debt to the top two highest classifications. The County did not invest in any commercial paper or other corporate debt during the year.

Concentration of Credit Risk. The County’s investment policy does not allow for a prime bankers’ acceptance or commercial paper and other corporate debt balances to be greater than ten percent of its total deposits and investments. The policy also limits the amount than can be invested in a single issue to five percent of its total deposits and investments. The County held no such investments during the year.

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. The County’s deposits are 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 insure there will be no loss of public funds.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County did not hold any investments during the year.

NOTE 3 – DUE FROM AND DUE TO OTHER FUNDS

The detail of interfund receivables and payables at June 30, 2005, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue: Mental Health	<u>\$ 29,578</u>

These balances result 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.

DUBUQUE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 4 – INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2005, is as follows:

	Transfer to:			
	General Fund	Secondary Roads	Nonmajor Funds	Total
Transfer from:				
General Fund	\$ -	\$ -	\$ 158,871	\$ 158,871
Rural Services	-	2,042,558	-	2,042,558
Mental Health	184,366	-	-	184,366
Nonmajor Funds	-	-	14	14
Total	<u>\$ 184,366</u>	<u>\$ 2,042,558</u>	<u>\$ 158,885</u>	<u>\$ 2,385,809</u>

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

NOTE 5 – NOTES RECEIVABLE

The County has made funds available for interest-free loans to rural Dubuque County fire departments and EMS services to purchase fire protection and life support equipment through the County Assistance Fund. These amounts are to be repaid to the County in annual installments. The balance of these notes receivable at June 30, 2005, was \$146,191.

The County has guaranteed indebtedness through the Rural Economic Development Intermediary Relending Program with four loans to businesses located in Dubuque County, totaling \$560,559 at June 30, 2005. The loans are accounted for in the Rural Economic Development Fund and mature in varying amounts through June 30, 2012.

The County has made an interest-free loan to the City of Centralia for a road construction project. This amount is to be repaid to the County in annual installments. The balance of this note receivable at June 30, 2005, was \$45,000.

The County has also made one time interest-free loans to the Holy Cross Fire Department, the Dubuque County Fire Fighters Association, and Worthington Community Fire Department for equipment. These amounts are to be repaid to the County in annual installments. The balance of these notes receivable at June 30, 2005, was \$24,429.

DUBUQUE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 6 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2005, was as follows:

Primary government

	Restated Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,360,591	\$ 319,500	\$ -	\$ 2,680,091
Construction in progress	<u>2,795,824</u>	<u>3,676,784</u>	<u>3,619,452</u>	<u>2,853,156</u>
Total capital assets, not being depreciated	<u>5,156,415</u>	<u>3,996,284</u>	<u>3,619,452</u>	<u>5,533,247</u>
Capital assets, being depreciated:				
Buildings	18,847,532	997,135	12,000	19,832,667
Improvements other than buildings	202,230	56,382	-	258,612
Machinery and equipment	12,630,414	748,277	317,301	13,061,390
Infrastructure	<u>61,614,139</u>	<u>2,615,495</u>	<u>-</u>	<u>64,229,634</u>
Total capital assets being depreciated	<u>93,294,315</u>	<u>4,417,289</u>	<u>329,301</u>	<u>97,382,303</u>
Less accumulated depreciation for:				
Buildings	6,329,950	440,166	12,000	6,758,116
Improvements other than buildings	101,865	19,794	-	121,659
Machinery and equipment	7,347,458	930,285	250,336	8,027,407
Infrastructure	<u>20,314,786</u>	<u>2,302,464</u>	<u>-</u>	<u>22,617,250</u>
Total accumulated depreciation	<u>34,094,059</u>	<u>3,692,709</u>	<u>262,336</u>	<u>37,524,432</u>
Total capital assets, being depreciated, net	<u>59,200,256</u>	<u>724,580</u>	<u>66,965</u>	<u>59,857,871</u>
Governmental activities capital assets, net	<u>\$64,356,671</u>	<u>\$ 4,720,864</u>	<u>\$ 3,686,417</u>	<u>\$65,391,118</u>

Depreciation expense was charged to the following functions:

Governmental activities:

Public safety and legal services	\$ 436,988
Physical health and social services	105,629
County environment and education	123,655
Roads and transportation	2,702,827
Governmental services to residents	48,358
Administration	<u>275,252</u>
Total depreciation expense - governmental activities	<u>\$ 3,692,709</u>

(continued on next page)

DUBUQUE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

Beginning balances have been restated to expense capital assets that did not meet the County's capitalization policy.

Discretely Presented Component Unit

Capital assets activity for the Drug Task Force for the year ended June 30, 2005, was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Capital assets, being depreciated:				
Machinery and equipment	\$ 10,700	\$ -	\$ -	\$ 10,700
Less accumulated depreciation for:				
Machinery and equipment	<u>10,700</u>	<u>-</u>	<u>-</u>	<u>10,700</u>
Drug Task Force capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 7 – 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 is as follows:

Fund	Description	Amount
General	Services	<u>\$ 15,717</u>
Special Revenue:		
Rural Services	Services	87
Local Option Tax	Services	965
Mental Health	Services	<u>767,814</u>
		<u>768,866</u>
Total for governmental funds		<u>\$ 784,583</u>
Agency:		
County Recorder	Collections	\$ 77,080
County Recorder's Electronic Transaction Fee		3,885
County Sheriff		44,466
E911		409,761

DUBUQUE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

Fund	Description	Amount
Drainage District	Collections	\$ 665
Agricultural Extension Education		117,695
County Assessor		602,681
City Assessor		798,773
Schools		42,518,044
Area Schools		1,763,960
Corporations		25,441,664
Townships		438,240
Auto License and Use Tax		2,078,268
Brucellosis and Tuberculosis Eradication		11,661
Joint Disaster Services		23,863
County Hospital		<u>680,779</u>
Total for agency funds		<u>\$ 75,011,485</u>

NOTE 8 – LEASE COMMITMENTS

Dubuque County leases office space for use by the departments of Human Services, Veterans Affairs, General Relief, Juvenile Probation, and the Library. The following is a schedule of the future minimum lease payments.

<u>Year Ending June 30,</u>	
2006	\$ 229,821
2007	229,821
2008	<u>229,821</u>
	<u>\$ 689,463</u>

Payments under these leases for the year ended June 30, 2005, totaled \$229,821.

DUBUQUE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 9– CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2005, is as follows:

	General Obligation Bonds	Rural Economic Development Loan	Compensated Absences	Claims Payable	Total
Balance beginning of year	\$ 2,970,000	\$ 800,159	\$ 1,253,002	\$ 253,250	\$ 5,276,411
Increases	-	-	122,064	-	122,064
Decreases	<u>370,000</u>	<u>34,448</u>	<u>-</u>	<u>253,250</u>	<u>657,699</u>
Balance end of year	<u>\$ 2,600,000</u>	<u>\$ 765,711</u>	<u>\$ 1,375,066</u>	<u>\$ -</u>	<u>\$ 4,740,777</u>
Due within one year	<u>\$ 390,000</u>	<u>\$ 34,793</u>	<u>\$ 638,031</u>	<u>\$ -</u>	<u>\$ 1,062,824</u>

Dubuque County has borrowed funds through the Rural Economic Development Intermediary Relending Program in order to provide economic development loans to industries within Dubuque County. The indebtedness is guaranteed with loans the County has made to various businesses at an interest rate of 5.5%. At June 30, 2005, there was \$765,711 outstanding.

Bonds Payable

A summary of the County's June 30, 2005, indebtedness is as follows:

Year Ending June 30,	General Obligation Bonds			Rural Economic Development Loan		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2006	4.000%	\$ 390,000	\$ 106,900	1.000%	\$ 34,793	\$ 7,657
2007	4.000%	405,000	91,300	1.000%	35,141	7,309
2008	4.000%	425,000	75,100	1.000%	35,492	6,958
2009	4.125%	440,000	58,100	1.000%	35,847	6,603
2010	4.250%	460,000	39,950	1.000%	36,206	6,244
2011-2015	4.250%	480,000	20,400	1.000%	186,532	25,718
2016-2020	-	-	-	1.000%	196,048	16,202
2021-2025	-	-	-	1.000%	<u>205,652</u>	<u>6,204</u>
		<u>\$ 2,600,000</u>	<u>\$ 391,750</u>		<u>\$ 765,711</u>	<u>\$ 82,895</u>

DUBUQUE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 10 – PENSION AND RETIREMENT BENEFITS

The County contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 3.70% of their annual covered salary, and the County is required to contribute 5.75% of annual covered payroll, except for law enforcement employees, in which case the percentages for the year ended June 30, 2005 are 5.10% and 7.66%, respectively. For the year ended June 30, 2004, the contribution rates for law enforcement employees and the County were 4.99% and 7.48%, respectively, and for the year ended June 30, 2003, the contribution rates for law enforcement employees and the County were 5.37% and 8.05%, respectively. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2005, 2004, and 2003, were \$886,053, \$803,252, and \$742,622, respectively, equal to the required contributions for each year.

NOTE 11 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Dubuque County is a member in 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 with over 509 members from 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 and inland marine. 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 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 due and payable in the current 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 to equal 300 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

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 and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

DUBUQUE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

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 annual contributions to the Pool for the year ended June 30, 2005, were \$312,858.

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 \$250,000 per claim. Claims exceeding \$250,000 are reinsured in an amount not to exceed \$1,750,000 per claim and \$5,000,000 in the aggregate per year. For members requiring specific coverage from \$2,000,000 to \$10,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$100,000 each occurrence, each location, with excess coverage reinsured on an individual-member basis.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2005, no liability has been recorded in the County's financial statements. As of June 30, 2005, settled claims have not exceeded the risk pool or reinsurance company 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 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. Members withdrawing within the first six years of membership may receive a partial refund of their capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its capital contributions. However, the refund is reduced by an amount equal to the annual operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond. The County assumes liability for any deductibles and claims in excess of coverage limitations. The County assumes responsibility for workers compensation and employee blanket bond claims in excess of \$1,000,000 and \$100,000 except for the Treasurer and two deputies which are \$150,000, respectively. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 12 – CONDUIT DEBT OBLIGATIONS

From time to time, the County has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

DUBUQUE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

At June 30, 2005, there were seven series of Industrial Revenue Bonds outstanding. The aggregate principal amount payable for the one series issued after July 1, 1997, was \$6,875,000. The aggregate principal amount payable for the six series issued prior to July 1, 1997, could not be determined; however, their original issue amounts totaled approximately \$17.64 million.

NOTE 13 – CONSTRUCTION COMMITMENTS

The County has entered into a contract totaling \$959,462 for road construction. As of June 30, 2005, costs of \$736,513 on the project have been incurred. The balance remaining on the project at June 30, 2005, (\$222,949) will be paid as work on the project progresses.

The County has entered into a contract totaling \$65,997 for road construction. As of June 30, 2005, no costs on the project have been incurred. The balance remaining on the project at June 30, 2005, (\$65,997) will be paid as work on the project progresses.

The County has entered into two contracts totaling \$40,818 for bridge projects. As of June 30, 2005, no costs on the project have been incurred. The balance remaining on the projects at June 30, 2005, (\$40,818) will be paid as work on the projects progresses.

The County has entered into a contract totaling \$59,753 for road construction. As of June 30, 2005, no costs on the project have been incurred. The balance remaining on the project at June 30, 2005, (\$59,573) will be paid as work on the project progresses.

The County has entered into a contract totaling \$1,124,102 for road construction. As of June 30, 2005, costs of \$75,748 on the project have been incurred. The balance remaining on the project at June 30, 2005, (\$1,048,354) will be paid as work on the project progresses.

NOTE 14 – DEFICIT BALANCES

The Rural Services and Capital Projects Funds have deficit balances at June 30, 2005, of \$5,025 and \$62,960, respectively.

NOTE 15 – DESIGNATION OF FUND BALANCES

	General
Construction/remodeling projects	\$ 400,000
Land purchases	500,000
	\$ 900,000

NOTE 16 – RESTATEMENT OF BEGINNING BALANCES

A restatement of beginning net assets was done to correct the balances of capital assets and to correct accounts payable related to capital assets. Due to problems with the County's system, the incorrect amount was recorded previously.

DUBUQUE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

Net assets, June 30, 2004, as previously reported	\$ 76,140,848
Correction of accounts payable balance	(315,000)
Correction of capital assets	<u>(217,040)</u>
Net assets, June 30, 2004, as restated	<u>\$ 75,608,808</u>

NOTE 17 – NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STANDARDS

The Governmental Accounting Standards Board (GASB) has issued six statements not yet implemented by Dubuque County. The statements, which might impact Dubuque County, are as follows:

Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, issued November 2003, will be effective for the County for the fiscal year ending June 30, 2006. This statement establishes accounting and financial reporting standards for impairment of capital assets and also clarifies and establishes accounting requirements for insurance recoveries.

Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, issued April 2004, will be effective for the County for the fiscal year ending June 30, 2008. This statement establishes uniform financial reporting standards for other postemployment benefit (OPEB) plans and supersedes the interim guidance included in Statement No. 26. This statement affects reporting by administrators or trustees of OPEB plan assets or by employers or sponsors that include OPEB plan assets as trust or agency funds in their financial reports.

Statement No. 44, *Economic Condition Reporting: The Statistical Section*, issued May 2004, will be effective for the County for the fiscal year ending June 30, 2006. This statement amends previous guidance regarding preparation of the statistical section for governments that issue a comprehensive annual financial report.

Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, issued June 2004, will be effective for the County for the fiscal year ending June 30, 2009. This statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

Statement No. 46, *Net Assets Restricted by Enabling Legislation*, issued December 2004, will be effective for the County for the fiscal year ending June 30, 2006. This statement clarifies the definition of a legally enforceable enabling legislation restriction. It also specifies the accounting and financial reporting requirements for the restrictions and for any changes in them.

Statement No. 47, *Accounting for Termination Benefits*, issued June 2005, establishes accounting standards for termination benefits. For termination benefits provided through an existing defined benefit OPEB plan, the provisions of this statement should be implemented simultaneously with the requirements of Statement No. 45. For all other termination benefits, this statement is effective for the fiscal year ending June 30, 2006.

The County's management has not yet determined the effect these statements will have on the County's financial statements.

DUBUQUE COUNTY

DUBUQUE 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, 2005

	Actual	Budgeted Amounts	
		Original	Final
Receipts:			
Property and other County tax	\$ 21,865,619	\$ 21,374,875	\$ 21,999,265
Interest and penalty on property tax	151,884	99,600	145,300
Intergovernmental	15,648,504	14,371,907	16,152,876
Licenses and permits	75,257	67,550	74,400
Charges for service	3,312,018	2,713,054	3,258,578
Use of money and property	626,798	385,565	542,057
Miscellaneous	303,300	138,550	299,660
Total receipts	<u>41,983,380</u>	<u>39,151,101</u>	<u>42,472,136</u>
Disbursements:			
Public safety and legal services	9,135,309	9,166,209	9,675,636
Physical health and social services	11,034,425	7,052,974	7,107,790
Mental health	7,855,954	13,805,635	13,561,590
County environment and education	2,308,284	2,284,474	2,746,499
Roads and transportation	5,295,880	6,007,380	5,770,017
Governmental services to residents	1,376,479	1,522,548	1,384,477
Administration	2,548,973	2,477,077	2,836,856
Non-program	11,295	7,650	7,650
Debt service	534,650	492,200	534,650
Capital projects	2,202,637	2,000,000	2,868,298
Total disbursements	<u>42,303,886</u>	<u>44,816,147</u>	<u>46,493,463</u>
Deficiency of receipts under disbursements	(320,506)	(5,665,046)	(4,021,327)
Other financing sources, net	<u>32,635</u>	<u>-</u>	<u>32,600</u>
Deficiency of receipts and other financing sources under disbursements and other financing uses	(287,871)	(5,665,046)	(3,988,727)
Balance beginning of year	<u>16,432,194</u>	<u>16,432,194</u>	<u>16,432,194</u>
Balance end of year	<u>\$ 16,144,323</u>	<u>\$ 10,767,148</u>	<u>\$ 12,443,467</u>

Variance - Over (Under) <u>Budget</u>	Actual as a % of Amended <u>Budget</u>
\$ (133,646)	99
6,584	105
(504,372)	97
857	101
53,440	102
84,741	116
3,640	101
<u>(488,756)</u>	<u>99</u>

(540,327)	94
3,926,635	155
(5,705,636)	58
(438,215)	84
(474,137)	92
(7,998)	99
(287,883)	90
3,645	148
-	100
<u>(665,661)</u>	<u>77</u>
<u>(4,189,577)</u>	<u>91</u>

3,700,821

35

3,700,856

-

\$ 3,700,856

DUBUQUE COUNTY
BUDGETARY COMPARISON SCHEDULE – BUDGET TO GAAP RECONCILIATION
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2005

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 41,983,380	\$ 464,718	\$ 42,448,098
Expenditures	<u>42,303,886</u>	<u>(522,548)</u>	<u>41,781,338</u>
Net	(320,506)	987,266	666,760
Other financing sources, net	32,635	50,000	82,635
Beginning fund balances, as restated	<u>16,432,194</u>	<u>(567,713)</u>	<u>15,864,481</u>
Ending fund balances	<u>\$ 16,144,323</u>	<u>\$ 469,553</u>	<u>\$ 16,613,876</u>

DUBUQUE COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY REPORTING
JUNE 30, 2005

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 for the 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 or fund type. 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, Special Revenue Funds, Debt Service Fund, and 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, three budget amendments increased budgeted disbursements by \$1,677,316. 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 City Assessor by the City 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, 2005, disbursements exceeded the amounts budgeted in the physical health and social services and non-program functions and disbursements in certain departments exceeded the amounts appropriated.

DUBUQUE COUNTY

DUBUQUE COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2005

Assets	County Assistance	REAP Fund	County Recorder's Records Management
Cash and pooled investments	\$ 42,022	\$ 47,732	\$ 16,429
Receivables:			
Property tax:			
Delinquent	-	-	-
Succeeding year	-	-	-
Accrued interest	-	79	24
Notes receivable	<u>146,191</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 188,213</u>	<u>\$ 47,811</u>	<u>\$ 16,453</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Deferred revenue:			
Succeeding year property tax	-	-	-
Other	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Reserved for:			
Notes receivable	146,191	-	-
Debt service	-	-	-
Unreserved:			
Undesignated	<u>42,022</u>	<u>47,811</u>	<u>16,453</u>
Total fund balances	<u>188,213</u>	<u>47,811</u>	<u>16,453</u>
Total liabilities and fund balances	<u>\$ 188,213</u>	<u>\$ 47,811</u>	<u>\$ 16,453</u>

Special Revenue

<u>Rural Economic Development</u>	<u>Gold Dome</u>	<u>Sheriff's Commissary</u>	<u>Conservation Land Acquisition</u>	<u>County Recorder's Electronic Transaction Fee</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 822,786	\$ 50,925	\$ 16,308	\$ 194,049	\$ 91	\$ 5,481	\$ 121,008	\$ 1,316,831
-	-	-	-	-	941	-	941
-	-	-	-	-	496,961	-	496,961
-	85	-	-	-	-	-	188
<u>560,559</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>706,750</u>
<u>\$ 1,383,345</u>	<u>\$ 51,010</u>	<u>\$ 16,308</u>	<u>\$ 194,049</u>	<u>\$ 91</u>	<u>\$ 503,383</u>	<u>\$ 121,008</u>	<u>\$ 2,521,671</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 183,968	\$ 183,968
-	-	-	-	-	496,961	-	496,961
-	-	-	-	-	914	-	914
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>497,875</u>	<u>183,968</u>	<u>681,843</u>
560,558	-	-	-	-	-	-	706,749
-	-	-	-	-	5,508	-	5,508
<u>822,787</u>	<u>51,010</u>	<u>16,308</u>	<u>194,049</u>	<u>91</u>	<u>-</u>	<u>(62,960)</u>	<u>1,127,571</u>
<u>1,383,345</u>	<u>51,010</u>	<u>16,308</u>	<u>194,049</u>	<u>91</u>	<u>5,508</u>	<u>(62,960)</u>	<u>1,839,828</u>
<u>\$ 1,383,345</u>	<u>\$ 51,010</u>	<u>\$ 16,308</u>	<u>\$ 194,049</u>	<u>\$ 91</u>	<u>\$ 503,383</u>	<u>\$ 121,008</u>	<u>\$ 2,521,671</u>

DUBUQUE COUNTY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2005

	County Assistance	REAP Fund	County Recorder's Records Management
Revenues:			
Property and other County tax	\$ -	\$ -	\$ -
Intergovernmental	-	27,867	-
Charges for service	-	-	21,302
Use of money and property	-	298	281
Total revenues	<u>-</u>	<u>28,165</u>	<u>21,583</u>
Expenditures:			
Operating:			
County environment and education	-	-	-
Governmental services to residents	-	-	80,000
Non-program	-	-	-
Debt service	-	-	-
Capital projects	-	9,360	-
Total expenditures	<u>-</u>	<u>9,360</u>	<u>80,000</u>
Excess (deficiency) of revenues over (under) expenditures	-	18,805	(58,417)
Other financing sources (uses):			
Transfers in (out)	-	-	(14)
Net change in fund balances	-	18,805	(58,431)
Fund balances beginning of year, as restated	<u>188,213</u>	<u>29,006</u>	<u>74,884</u>
Fund balances end of year	<u>\$ 188,213</u>	<u>\$ 47,811</u>	<u>\$ 16,453</u>

Special Revenue

Rural Economic Development	Gold Dome	Sheriff's Commissary	Conservation Land Acquisition	County Recorder's Electronic Transaction Fee	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 471,875	\$ -	\$ 471,875
-	-	-	-	-	18,389	-	46,256
-	-	121	-	14,197	-	-	35,620
43,099	457	16,567	-	90	-	8,230	69,022
<u>43,099</u>	<u>457</u>	<u>16,688</u>	<u>-</u>	<u>14,287</u>	<u>490,264</u>	<u>8,230</u>	<u>622,773</u>
5,208	-	-	-	-	-	-	5,208
-	-	-	-	36,969	-	-	116,969
-	-	10,467	-	-	-	-	10,467
42,450	-	-	-	-	492,200	-	534,650
-	-	-	-	-	-	86,438	95,798
<u>47,658</u>	<u>-</u>	<u>10,467</u>	<u>-</u>	<u>36,969</u>	<u>492,200</u>	<u>86,438</u>	<u>763,092</u>
(4,559)	457	6,221	-	(22,682)	(1,936)	(78,208)	(140,319)
-	-	-	158,871	14	-	-	158,871
(4,559)	457	6,221	158,871	(22,668)	(1,936)	(78,208)	18,552
<u>1,387,904</u>	<u>50,553</u>	<u>10,087</u>	<u>35,178</u>	<u>22,759</u>	<u>7,444</u>	<u>15,248</u>	<u>1,821,276</u>
<u>\$ 1,383,345</u>	<u>\$ 51,010</u>	<u>\$ 16,308</u>	<u>\$ 194,049</u>	<u>\$ 91</u>	<u>\$ 5,508</u>	<u>\$ (62,960)</u>	<u>\$ 1,839,828</u>

DUBUQUE COUNTY
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2005

Schedule 3

	Balance June 30, 2004	Additions	Deletions	Balance June 30, 2005
COUNTY AUDITOR				
Assets:				
Cash on hand	\$ 4,954	\$ 2,847	\$ 2,724	\$ 5,077
Liabilities:				
Trusts payable	\$ 4,954	\$ 2,847	\$ 2,724	\$ 5,077
COUNTY RECORDER				
Assets:				
Cash on hand	\$ 64,390	\$ 1,402,642	\$ 1,395,143	\$ 71,889
Accounts receivable	5,050	5,191	5,050	5,191
Total assets	<u>\$ 69,440</u>	<u>\$ 1,407,833</u>	<u>\$ 1,400,193</u>	<u>\$ 77,080</u>
Liabilities:				
Due to other funds	\$ -	\$ 670,546	\$ 670,546	\$ -
Due to other governments	69,440	732,237	724,597	77,080
Total liabilities	<u>\$ 69,440</u>	<u>\$ 1,402,783</u>	<u>\$ 1,395,143</u>	<u>\$ 77,080</u>
COUNTY RECORDER'S ELECTRONIC TRANSACTION FEE				
Assets:				
Cash on hand	\$ -	\$ 30,406	\$ 28,541	\$ 1,865
Due from other governments	11,125	2,020	11,125	2,020
Total assets	<u>\$ 11,125</u>	<u>\$ 32,426</u>	<u>\$ 39,666</u>	<u>\$ 3,885</u>
Liabilities:				
Due to other governments	<u>\$ 11,125</u>	<u>\$ 32,426</u>	<u>\$ 39,666</u>	<u>\$ 3,885</u>

(continued)

DUBUQUE COUNTY
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2005

Schedule 3
(continued)

	Balance June 30, 2004	Additions	Deletions	Balance June 30, 2005
COUNTY SHERIFF				
Assets:				
Cash on hand	\$ 43,997	\$ 2,135,494	\$ 2,029,499	\$ 149,992
Accounts receivable	-	145,546	145,546	-
Total assets	<u>\$ 43,997</u>	<u>\$ 2,281,040</u>	<u>\$ 2,175,045</u>	<u>\$ 149,992</u>
Liabilities:				
Due to other funds	\$ -	\$ 465,899	\$ 465,899	\$ -
Due to other governments	41,669	575,961	573,164	44,466
Trusts payable	2,328	1,093,634	990,436	105,526
Total liabilities	<u>\$ 43,997</u>	<u>\$ 2,135,494</u>	<u>\$ 2,029,499</u>	<u>\$ 149,992</u>
E911 FUND				
Assets:				
Cash and pooled investments	\$ 494,161	\$ 507,327	\$ 572,963	\$ 428,525
Receivables:				
Accounts	894	-	894	-
Accrued interest	-	714	-	714
Due from other governments	5,484	-	5,484	-
Total assets	<u>\$ 500,539</u>	<u>\$ 508,041</u>	<u>\$ 579,341</u>	<u>\$ 429,239</u>
Liabilities:				
Accounts payable	\$ 17,568	\$ 19,478	\$ 17,568	\$ 19,478
Due to other governments	482,971	488,563	561,773	409,761
Total liabilities	<u>\$ 500,539</u>	<u>\$ 508,041</u>	<u>\$ 579,341</u>	<u>\$ 429,239</u>
DRAINAGE DISTRICT FUND				
Assets:				
Cash and pooled investments	\$ 659	\$ 5	\$ -	\$ 664
Accrued interest receivable	-	1	-	1
Total assets	<u>\$ 659</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 665</u>
Liabilities:				
Due to other governments	<u>\$ 659</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 665</u>

(continued)

DUBUQUE COUNTY
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2005

Schedule 3
(continued)

	Balance June 30, 2004	Additions	Deletions	Balance June 30, 2005
AGRICULTURAL EXTENSION EDUCATION FUND				
Assets:				
Cash and pooled investments	\$ 1,042	\$ 112,495	\$ 112,460	\$ 1,077
Property tax receivable:				
Delinquent	367	228	367	228
Succeeding year	<u>112,490</u>	<u>116,390</u>	<u>112,490</u>	<u>116,390</u>
Total assets	<u>\$ 113,899</u>	<u>\$ 229,113</u>	<u>\$ 225,317</u>	<u>\$ 117,695</u>
Liabilities:				
Due to other governments	<u>\$ 113,899</u>	<u>\$ 229,113</u>	<u>\$ 225,317</u>	<u>\$ 117,695</u>
COUNTY ASSESSOR FUND				
Assets:				
Cash and pooled investments	\$ 295,636	\$ 435,447	\$ 469,776	\$ 261,307
Property tax receivable:				
Delinquent	1,469	899	1,469	899
Succeeding year	<u>340,156</u>	<u>360,525</u>	<u>340,156</u>	<u>360,525</u>
Total assets	<u>\$ 637,261</u>	<u>\$ 796,871</u>	<u>\$ 811,401</u>	<u>\$ 622,731</u>
Liabilities:				
Accounts payable	\$ 238	\$ 1,469	\$ 238	\$ 1,469
Salaries and benefits payable	16,822	18,581	16,822	18,581
Due to other governments	<u>620,201</u>	<u>776,821</u>	<u>794,341</u>	<u>602,681</u>
Total liabilities	<u>\$ 637,261</u>	<u>\$ 796,871</u>	<u>\$ 811,401</u>	<u>\$ 622,731</u>

(continued)

DUBUQUE COUNTY
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2005

Schedule 3
(continued)

	Balance June 30, 2004	Additions	Deletions	Balance June 30, 2005
CITY ASSESSOR FUND				
Assets:				
Cash and pooled investments	\$ 291,753	\$ 470,460	\$ 480,244	\$ 281,969
Property tax receivable:				
Delinquent	1,745	765	1,745	765
Succeeding year	481,208	541,904	481,208	541,904
Total assets	<u>\$ 774,706</u>	<u>\$ 1,013,129</u>	<u>\$ 963,197</u>	<u>\$ 824,638</u>
Liabilities:				
Accounts payable	\$ 11,221	\$ 177	\$ 11,221	\$ 177
Salaries and benefits payable	23,195	25,688	23,195	25,688
Due to other governments	740,290	987,264	928,781	798,773
Total liabilities	<u>\$ 774,706</u>	<u>\$ 1,013,129</u>	<u>\$ 963,197</u>	<u>\$ 824,638</u>
SCHOOLS FUND				
Assets:				
Cash and pooled investments	\$ 327,384	\$ 38,522,346	\$ 38,481,754	\$ 367,976
Property tax receivable:				
Delinquent	116,088	77,351	116,088	77,351
Succeeding year	38,536,174	42,072,717	38,536,174	42,072,717
Total assets	<u>\$ 38,979,646</u>	<u>\$ 80,672,414</u>	<u>\$ 77,134,016</u>	<u>\$ 42,518,044</u>
Liabilities:				
Due to other governments	<u>\$ 38,979,646</u>	<u>\$ 80,672,414</u>	<u>\$ 77,134,016</u>	<u>\$ 42,518,044</u>

(continued)

DUBUQUE COUNTY
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2005

Schedule 3
(continued)

	Balance June 30, 2004	Additions	Deletions	Balance June 30, 2005
AREA SCHOOLS FUND				
Assets:				
Cash and pooled investments	\$ 14,027	\$ 1,657,503	\$ 1,655,655	\$ 15,875
Property tax receivable:				
Delinquent	5,007	3,356	5,007	3,356
Succeeding year	1,657,397	1,744,729	1,657,397	1,744,729
Total assets	<u>\$ 1,676,431</u>	<u>\$ 3,405,588</u>	<u>\$ 3,318,059</u>	<u>\$ 1,763,960</u>
Liabilities:				
Due to other governments	<u>\$ 1,676,431</u>	<u>\$ 3,405,588</u>	<u>\$ 3,318,059</u>	<u>\$ 1,763,960</u>
CORPORATIONS FUND				
Assets:				
Cash and pooled investments	\$ 231,198	\$ 24,599,511	\$ 24,603,204	\$ 227,505
Receivables:				
Property tax:				
Delinquent	60,202	33,354	60,202	33,354
Succeeding year	24,476,730	25,159,463	24,476,730	25,159,463
Special assessments	16,320	14,901	16,320	14,901
Interest and penalty on property tax	6,424	6,441	6,424	6,441
Total assets	<u>\$ 24,790,874</u>	<u>\$ 49,813,670</u>	<u>\$ 49,162,880</u>	<u>\$ 25,441,664</u>
Liabilities:				
Due to other governments	<u>\$ 24,790,874</u>	<u>\$ 49,813,670</u>	<u>\$ 49,162,880</u>	<u>\$ 25,441,664</u>
TOWNSHIPS FUND				
Assets:				
Cash and pooled investments	\$ 3,491	\$ 401,542	\$ 401,418	\$ 3,615
Property tax receivable:				
Delinquent	1,165	1,136	1,165	1,136
Succeeding year	404,492	433,489	404,492	433,489
Total assets	<u>\$ 409,148</u>	<u>\$ 836,167</u>	<u>\$ 807,075</u>	<u>\$ 438,240</u>
Liabilities:				
Due to other governments	<u>\$ 409,148</u>	<u>\$ 836,167</u>	<u>\$ 807,075</u>	<u>\$ 438,240</u>

(continued)

DUBUQUE COUNTY
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2005

Schedule 3
(continued)

	Balance June 30, 2004	Additions	Deletions	Balance June 30, 2005
AUTO LICENSE AND USE TAX FUND				
Assets:				
Cash and pooled investments	\$ 1,876,901	\$ 18,152,772	\$ 17,951,404	\$ 2,078,269
Accounts receivable	828	-	828	-
Total assets	<u>\$ 1,877,729</u>	<u>\$ 18,152,772</u>	<u>\$ 17,952,232</u>	<u>\$ 2,078,269</u>
Liabilities:				
Accounts payable	\$ -	\$ 1	\$ -	\$ 1
Due to other governments	1,877,729	18,152,771	17,952,232	2,078,268
Total liabilities	<u>\$ 1,877,729</u>	<u>\$ 18,152,772</u>	<u>\$ 17,952,232</u>	<u>\$ 2,078,269</u>
BRUCellosis AND TUBERCULOSIS ERADICATION FUND				
Assets:				
Cash and pooled investments	\$ 97	\$ 11,088	\$ 11,079	\$ 106
Property tax receivable:				
Delinquent	35	23	35	23
Succeeding year	11,085	11,532	11,085	11,532
Total assets	<u>\$ 11,217</u>	<u>\$ 22,643</u>	<u>\$ 22,199</u>	<u>\$ 11,661</u>
Liabilities:				
Due to other governments	<u>\$ 11,217</u>	<u>\$ 22,643</u>	<u>\$ 22,199</u>	<u>\$ 11,661</u>
JOINT DISASTER SERVICES FUND				
Assets:				
Cash and pooled investments	\$ 8,359	\$ 272,807	\$ 256,921	\$ 24,245
Due from other governments	13,032	5,586	13,032	5,586
Total assets	<u>\$ 21,391</u>	<u>\$ 278,393</u>	<u>\$ 269,953</u>	<u>\$ 29,831</u>
Liabilities:				
Accounts payable	\$ 237	\$ 2,338	\$ 237	\$ 2,338
Salaries and benefits payable	3,238	3,630	3,238	3,630
Due to other governments	17,916	272,425	266,478	23,863
Total liabilities	<u>\$ 21,391</u>	<u>\$ 278,393</u>	<u>\$ 269,953</u>	<u>\$ 29,831</u>

(continued)

DUBUQUE COUNTY
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2005

Schedule 3
(continued)

	Balance June 30, 2004	Additions	Deletions	Balance June 30, 2005
COUNTY HOSPITAL FUND				
Assets:				
Cash and pooled investments	\$ 55,949	\$ 648,245	\$ 642,846	\$ 61,348
Property tax receivable:				
Delinquent	1,872	1,303	1,872	1,303
Succeeding year	643,371	673,313	643,371	673,313
Due from other governments	76	-	76	-
Total assets	<u>\$ 701,268</u>	<u>\$ 1,322,861</u>	<u>\$ 1,288,165</u>	<u>\$ 735,964</u>
Liabilities:				
Due to other governments	\$ 650,522	\$ 1,267,676	\$ 1,237,419	\$ 680,779
Trusts payable	50,746	55,185	50,746	55,185
Total liabilities	<u>\$ 701,268</u>	<u>\$ 1,322,861</u>	<u>\$ 1,288,165</u>	<u>\$ 735,964</u>
COUNTY LIBRARIES				
Assets:				
Cash and pooled investments	<u>\$ -</u>	<u>\$ 43,450</u>	<u>\$ 43,450</u>	<u>\$ -</u>
Liabilities:				
Due to other governments	<u>\$ -</u>	<u>\$ 43,450</u>	<u>\$ 43,450</u>	<u>\$ -</u>

(continued)

DUBUQUE COUNTY
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2005

Schedule 3
(continued)

	Balance June 30, 2004	Additions	Deletions	Balance June 30, 2005
TOTAL COMBINED FUNDS				
Assets:				
Cash and pooled investments	\$ 3,713,998	\$ 89,406,387	\$ 89,139,081	\$ 3,981,304
Receivables:				
Property tax:				
Delinquent	187,950	118,415	187,950	118,415
Succeeding year	66,663,103	71,114,062	66,663,103	71,114,062
Special assessments	16,320	14,901	16,320	14,901
Interest and penalty on property tax	6,424	6,441	6,424	6,441
Accounts	6,772	150,737	152,318	5,191
Accrued interest	-	715	-	715
Due from other governments	29,717	7,606	29,717	7,606
Total assets	<u>\$ 70,624,284</u>	<u>\$ 160,819,264</u>	<u>\$ 156,194,913</u>	<u>\$ 75,248,635</u>
Liabilities:				
Accounts payable	\$ 29,264	\$ 23,463	\$ 29,264	\$ 23,463
Salaries and benefits payable	43,255	47,899	43,255	47,899
Due to other funds	-	1,136,445	1,136,445	-
Due to other governments	70,493,737	158,309,195	153,791,447	75,011,485
Trusts payable	58,028	1,151,666	1,043,906	165,788
Total liabilities	<u>\$ 70,624,284</u>	<u>\$ 160,668,668</u>	<u>\$ 156,044,317</u>	<u>\$ 75,248,635</u>

DUBUQUE COUNTY
SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION –
ALL GOVERNMENTAL FUNDS
FOR THE LAST FOUR YEARS

Schedule 4

	Modified Accrual Basis			
	2005	2004	2003	2002
Revenues:				
Property and other County tax	\$ 21,831,098	\$ 20,266,271	\$ 19,144,204	\$ 18,164,309
Interest and penalty on property tax	156,422	150,455	135,401	143,687
Intergovernmental	15,709,496	15,688,918	13,947,328	15,188,180
Licenses and permits	75,408	75,352	74,905	72,665
Charges for service	3,709,352	3,091,200	2,532,583	3,017,775
Use of money and property	645,616	425,907	766,244	1,409,904
Miscellaneous	320,706	295,860	349,517	251,377
Total	\$ 42,448,098	\$ 39,993,963	\$ 36,950,182	\$ 38,247,897
Expenditures:				
Operating:				
Public safety and legal services	\$ 9,109,419	\$ 9,059,895	\$ 7,294,779	\$ 6,778,959
Physical health and social services	11,055,587	6,294,233	2,082,828	4,843,408
Mental health	8,132,532	12,127,062	12,674,349	13,194,622
County environment and education	2,080,390	2,201,639	1,962,072	1,944,581
Roads and transportation	5,331,620	5,978,774	6,320,443	4,938,493
Governmental services to residents	1,379,327	1,190,902	1,150,037	1,121,156
Administration	2,546,948	2,631,399	2,362,147	2,385,156
Non-program	11,315	65,714	5,763	15,898
Debt service	534,650	535,574	537,488	562,675
Capital projects	1,599,550	7,326,820	6,374,823	3,403,216
Total	\$ 41,781,338	\$ 47,412,012	\$ 40,764,729	\$ 39,188,164

**INFORMATION PROVIDED TO COMPLY WITH
GOVERNMENT AUDITING STANDARDS
AND OMB CIRCULAR A-133**

DUBUQUE COUNTY



CPAs & BUSINESS ADVISORS

**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 Dubuque County:

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Dubuque County, Iowa, as of and for the year ended June 30, 2005, which collectively comprise Dubuque County, Iowa's, basic financial statements and have issued our report thereon dated November 3, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Dubuque County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Dubuque County's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in Part II of the accompanying Schedule of Findings and Questioned Costs.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dubuque 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 that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about Dubuque County's operations for the year ended June 30, 2005, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of Dubuque 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.

We noted certain matters that we reported to the management of Dubuque County in a separate letter dated November 3, 2005.

This report, a public record by law, is intended solely for the information and use of the officials, employees, and citizens of Dubuque County and other parties to whom Dubuque County may report including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Dubuque 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Dubuque, Iowa
November 3, 2005



CPAs & BUSINESS ADVISORS

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Officials of Dubuque County:

Compliance

We have audited the compliance of Dubuque County, Iowa, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. Dubuque County's major federal programs are identified in the summary of the independent auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Dubuque County's management. Our responsibility is to express an opinion on Dubuque County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 Dubuque County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Dubuque County's compliance with those requirements.

In our opinion, Dubuque County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of Dubuque County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Dubuque County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report, a public record by law, is intended solely for the information and use of the officials, employees, and citizens of Dubuque County and other parties to whom Dubuque County may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Eide Sully LLP". The signature is written in dark ink and is positioned above the typed address and date.

Dubuque, Iowa
November 3, 2005

DUBUQUE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2005

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Program Expenditures</u>
Direct:			
Department of Justice:			
Public Safety Partnership and Community Policing Grants	16.710	2003CKWX0467	\$ <u>40,709</u>
Department of Health and Human Services:			
Substance Abuse and Mental Health Services – Projects of Regional and National Significance	93.243	H79 SM54724	<u>330,682</u>
Total direct			<u>371,391</u>
Indirect:			
Department of Agriculture:			
Iowa Department of Human Services:			
Human Services Administrative Reimbursement:			
State Administrative Matching Grants for Food Stamp Program	10.561		<u>28,029</u>
Department of Justice:			
Iowa Department of Human Rights:			
Juvenile Accountability Incentive Block Grants (JAIBG)	16.523	20-JD03-F504	15,332
Juvenile Accountability Incentive Block Grants (JAIBG)	16.523	20-JD02-F03	<u>22,840</u>
			<u>38,172</u>
Juvenile Justice and Delinquency Prevention – Allocation to States	16.540	20-JD02-F03	2,528
Juvenile Justice and Delinquency Prevention – Allocation to States	16.540	20-JD03-F504	<u>13,051</u>
			<u>15,579</u>
Enforcing Underage Drinking Laws Program	16.727	20-JD03-F504	7,587
Enforcing Underage Drinking Laws Program	16.727	20-JD02-F03	<u>5,327</u>
			<u>12,914</u>
Governor’s Office of Drug Control Policy:			
Byrne Formula Grant Program	16.579	04A-0227	<u>145,373</u>
Violence Against Women Formula Grants	16.588	VW-05-33	<u>57,600</u>

(continued)

DUBUQUE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2005

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Program Expenditures</u>
Indirect: (continued)			
Department of Transportation:			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	STP-E-C031(40)--8V-31	\$ <u>108,823</u>
Governor's Traffic Safety Bureau:			
State and Community Highway Safety	20.600	PAP 05-04, Task 08	7,098
State and Community Highway Safety	20.600	PAP 04-04, Task 08	<u>3,047</u>
			<u>10,145</u>
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	PAP 04-163, Task 26	3,873
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	PAP 05-163, Task 27	<u>5,522</u>
			<u>9,395</u>
Iowa Department of Public Defense:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703		<u>1,547</u>
Department of Health and Human Services:			
Iowa Department of Public Health:			
Public Health and Social Services Emergency Fund	93.003	5884EM28	10,201
Public Health and Social Services Emergency Fund	93.003	5885EM151	<u>7,726</u>
			<u>17,927</u>
Childhood Lead Poisoning Prevention Projects – State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	5885LP05	<u>20,140</u>
Centers for Disease Control and Prevention – Investigations and Technical Assistance	93.283	5885NB11	17,559
Centers for Disease Control and Prevention – Investigations and Technical Assistance	93.283	5885BT26	5,731
Centers for Disease Control and Prevention – Investigations and Technical Assistance	93.283	5885 WW 07	9,754
Linn County, Iowa:			
Centers for Disease Control and Prevention – Investigations and Technical Assistance	93.283	3104	44,218
Centers for Disease Control and Prevention – Investigations and Technical Assistance	93.283	3105	35,725

(continued)

DUBUQUE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2005

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Program Expenditures</u>
Indirect: (continued)			
Department of Health and Human Services: (continued)			
Linn County, Iowa: (continued)			
Centers for Disease Control and Prevention – Investigations and Technical Assistance	93.283	5884BT06	\$ 4,123
Centers for Disease Control and Prevention – Investigations and Technical Assistance	93.283	5885BT12	<u>2,839</u>
			<u>119,949</u>
Iowa Department of Human Services:			
Child Support Enforcement	93.563		<u>346,458</u>
Human Services Administrative Reimbursements:			
Temporary Assistance for Needy Families	93.558		<u>37,578</u>
Refugee and Entrant Assistance – State Administered Programs	93.566		<u>47</u>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		<u>7,351</u>
Foster Care – Title IV-E	93.658		<u>19,734</u>
Adoption Assistance	93.659		<u>4,620</u>
Medical Assistance Program	93.778		<u>40,553</u>
Social Services Block Grant	93.667		<u>25,235</u>
Social Services Block Grant	93.667		<u>329,772</u>
			<u>355,007</u>
Iowa Department of Public Health:			
HIV Prevention Activities – Health Department Based	93.940	5885AP09	3,608
HIV Prevention Activities – Health Department Based	93.940	5884AP09	<u>4,942</u>
			<u>8,550</u>
Preventive Health and Health Services Block Grant	93.991	5884AP09	3,730
Preventive Health and Health Services Block Grant	93.991	5885AP09	<u>2,555</u>
			<u>6,285</u>
			(continued)

DUBUQUE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2005

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Program Expenditures</u>
Indirect: (continued)			
Department of Homeland Security:			
Iowa Department of Public Defense:			
State Domestic Preparedness Equipment Support Program	97.004	ODP-2003-31	\$ 305,127
State Domestic Preparedness Equipment Support Program	97.004	ODP-2003-027	60,330
State Domestic Preparedness Equipment Support Program	97.004	ODP-2003-MU-TE-0056	129,472
Homeland Security Grant Program	97.067		<u>22,943</u>
			<u>517,872</u>
Public Assistance Grants	97.036	FEMA DR-1518-IA	<u>43,891</u>
Total indirect			<u>1,973,539</u>
Total			<u>\$ 2,344,930</u>

DUBUQUE COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2005

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Dubuque County and is presented on the accrual basis of accounting. The information on 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 this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, Dubuque County provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Juvenile Accountability Incentive Block Grants (JAIBG)	16.523	\$ 31,923
Juvenile Justice and Delinquency Prevention – Allocation to States	16.540	15,579
Public Safety Partnership and Community Policing Grants	16.710	3,216
Enforcing Underage Drinking Laws Program	16.727	12,914
Public Health and Social Services Emergency Fund	93.003	17,777
Childhood Lead Poisoning Prevention Projects – State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	20,140
Substance Abuse and Mental Health Services – Projects of Regional and National Significance	93.243	326,149
Centers for Disease Control and Prevention – Investigations and Technical Assistance	93.283	70,488
HIV Prevention Activities – Health Department Based	93.940	8,550
Preventive Health and Health Services Block Grant	93.991	6,285
State Domestic Preparedness Equipment Support Program	97.004	242,888

DUBUQUE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2005

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

- (a) An unqualified opinion was issued on the financial statements.
- (b) Reportable conditions in internal control over financial reporting were disclosed by the audit of the financial statements but were not considered material weaknesses.
- (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 identified.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The major programs were:
 - CFDA Number 93.667 – Social Services Block Grant
 - Cluster
 - CFDA Number 97.004 – State Domestic Preparedness Equipment Support Program
 - CFDA Number 97.067 – Homeland Security Grant Program
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Dubuque County qualified as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

REPORTABLE CONDITIONS:

II-A-05 County Recorder Segregation of Duties – During our review of internal control, the existing procedures are evaluated in order to determine that 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.

The County Recorder's office has various procedures implemented to enhance internal controls. However, due to time and staffing constraints, the County is still unable to fully segregate the receipt and posting functions.

Recommendation – We realize complete segregation of duties is difficult with a limited number of office employees. However, we recommend that the County Recorder should continue to review operating procedures as staff changes in order to obtain the maximum internal control possible under the circumstances.

DUBUQUE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2005

Part II: Findings Related to the Financial Statements: (continued)

Response – As stated in the past, I have implemented bar coding and cashiering into our system. We also rotate receipting and posting functions so one person is not always doing the same thing. The Recorder’s Office is small, and all employees have to receipt transactions.

Conclusion – Response accepted.

- II-B-05 County Sheriff Segregation of Duties – During our review of internal control, the existing procedures are evaluated in order to determine that 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.

In the Sheriff’s office, reconciling duties are now being performed by personnel independent of the accounts, but individuals are still performing both the receipt and record keeping functions for all the accounts.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the County Sheriff should review the operating procedures of the office to obtain the maximum internal control possible under the circumstances.

Response – We have an internal check and balance when we have nominal amounts of money. We also require a receipt for every transaction within the office. As a receipt is written, it is turned over to a second employee for recording and deposit. The final check and balance is the sergeant, who supervises the front office staff.

Conclusion – Response accepted.

Part III: Other Findings Related to Required Statutory Reporting:

- III-A-05 Official Depositories – A resolution naming official depositories has been adopted by the Board of Supervisors. The maximum deposit amounts stated in the resolution were not exceeded during the year ended June 30, 2005.

- III-B-05 Certified Budget - Disbursements during the year ended June 30, 2005, exceeded the amounts budgeted in the physical health and social services and non-program functions prior to amendment. Disbursements in certain departments exceeded the amounts appropriated.

The County decreased an appropriation by more than ten percent for a County department without publishing notice or holding a public hearing in accordance with Chapter 331.434(6) of the Code of Iowa.

DUBUQUE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2005

Part III: Other Findings Related to Required Statutory Reporting: (continued)

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

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

The Board should review all proposed decreases in appropriations to ensure that any decreases for a County department of more than ten percent or five thousand dollars, whichever is greater, are presented at a public hearing and a notice of the public hearing is published nor less than ten nor more than twenty days prior to the hearing.

Response – The County tries to make amendments prior to amounts exceeding their allowable amounts, but due to publication costs, it has also tried to keep the amendments to a minimum. Traditionally, an effort has been made to match the appropriated amounts to the budget, but there is a reluctance to make changes to the appropriations when not also amending the budget.

Conclusion – Response accepted.

III-C-05 Questionable Expenditures – No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979, were noted.

III-D-05 Travel Expense - No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

III-E-05 Business Transactions - Business transactions between the County and County officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Mary Lammers, secondary roads employee, spouse owns 1/3 of White Front Feed	Supplies	\$ 15,530
Sue Breitbach, information services employee, spouse owns Breitbach Feeds	Supplies	\$ 740

In accordance with Chapter 362.5(10) of the Code of Iowa, the transaction with Breitbach Feeds does not appear to represent a conflict of interest since the total transactions with the individual were less than \$1,500 during the fiscal year. The transaction with White Front Feed may represent a conflict of interest since not all of the transactions were entered into through competitive bidding in accordance with Chapter 362.5(4) of Iowa.

DUBUQUE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2005

Part III: Other Findings Related to Required Statutory Reporting: (continued)

Response – White Front Feed and Seed provides the County with calcium chloride and seed for vegetation in road side ditches. The calcium chloride is purchased through formal bidding procedure. Road side seed is purchased from three locations, two in Dubuque (Hendricks Feed and Seed Co. and White Front Feed and Seed) and one in Cascade (White Front Feed and Seed). Seed is purchased on an as needed basis. In FY05, approximately \$2,008 of seed was purchased at Hendricks Feed and Seed Co. and \$3,249 was purchased at White Front Feed and Seed.

Conclusion – Response accepted.

- III-F-05 Bond Coverage - Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be periodically reviewed to ensure that the coverage is adequate for current operations.
- III-G-05 Board Minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.
- III-H-05 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.
- III-I-05 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).
- III-J-05 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, 2005, for the County Extension Office did not exceed the amounts budgeted.