

FINANCIAL STATEMENTS
JUNE 30, 2008

DUBUQUE COUNTY

DUBUQUE COUNTY

Table of Contents

	<u>Page</u>
OFFICIALS	1
INDEPENDENT AUDITOR'S REPORT	2-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-12
BASIC FINANCIAL STATEMENTS	<u>Exhibit</u>
Government-wide Financial Statements	
Statement of Net Assets	A 13
Statement of Activities	B 14
Governmental Fund Financial Statements	
Balance Sheet	C 15
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Assets	D 16
Statement of Revenues, Expenditures, and Changes in Fund Balances	E 17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities	F 18
Fiduciary Fund Financial Statement	
Statement of Fiduciary Assets and Liabilities – Agency Funds	G 19
Notes to Financial Statements	20-34
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule of Receipts, Disbursements, and Changes in Balances – Budget and Actual (Cash Basis) – All Governmental Funds	35
Budgetary Comparison Schedule – Budget to GAAP Reconciliation	36
Notes to Required Supplementary Information – Budgetary Reporting	37
OTHER SUPPLEMENTARY INFORMATION	<u>Schedule</u>
Nonmajor Governmental Funds	
Combining Balance Sheet	1 38
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	2 39
Agency Funds	
Combining Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds	3 40-47
Schedule of Revenues by Source and Expenditures by Function – All Governmental Funds	4 48

DUBUQUE COUNTY

Table of Contents

	<u>Page</u>
INFORMATION PROVIDED TO COMPLY WITH <i>GOVERNMENT</i>	
<i>AUDITING STANDARDS AND OMB CIRCULAR A-133</i>	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	49-50
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	51-52
Schedule of Expenditures of Federal Awards	53-55
Notes to the Schedule of Expenditures of Federal Awards	56
Schedule of Findings and Questioned Costs	57-61

DUBUQUE COUNTY

DUBUQUE COUNTY OFFICIALS

Name	Title	Term Expires
Donna Smith	Board of Supervisors	January, 2011
Eric Manternach	Board of Supervisors	January, 2011
Wayne Demmer	Board of Supervisors	January, 2013
Denise Dolan	County Auditor	January, 2013
Eric Stierman	County Treasurer	January, 2011
Kathy Flynn Thurlow	County Recorder	January, 2011
Ken Runde	County Sheriff	January, 2013
Ralph Potter	County Attorney	January, 2011
Dave Kubik	County Assessor	January, 2010
Rick Engelken	City Assessor	January, 2014



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, 2008, 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 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, 2008, 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 March 19, 2009, on our consideration of Dubuque County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* 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 six years ended June 30, 2007, (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, *Audits of States, Local Governments, and Non-profit Organizations*, 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style. It is enclosed within a thin yellow rectangular border.

Dubuque, Iowa
March 19, 2009

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, 2008. 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 \$81,717,636 (*net assets*). Of this amount, \$3,284,712 (*unrestricted net assets*) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's net assets increased by \$356,341.
- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$14,756,934, an increase of \$1,278,751 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$4,991,514 or 17.1% of total general fund expenditures.
- Total debt decreased by \$460,492 (18.4%) 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 and the debt service, 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 and 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, and 3) the Debt Service Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps 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 seventeen 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 fund, rural services fund, secondary roads fund and the local option tax fund, all of which are considered to be major funds. Data from the other twelve 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 20-34 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 35-37 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 38 and 39 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 \$81,717,637 at the close of the most recent fiscal year.

Dubuque County, Iowa Net Assets of Governmental Activities

	June 30,	
	2008	2007
Current and other assets	\$ 42,603,348	\$ 38,584,005
Capital assets	70,358,760	72,013,776
Total assets	112,962,108	110,597,781
Long-term liabilities outstanding	3,685,553	4,121,551
Other liabilities	27,558,918	25,114,934
Total liabilities	31,244,471	29,236,485
Net assets:		
Invested in capital assets, net of related debt	68,978,760	70,208,776
Restricted	9,454,165	8,601,962
Unrestricted	3,284,712	2,550,558
Total net assets	\$ 81,717,637	\$ 81,361,296

The largest portion of the County's net assets (84%) 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 \$2,550,558 at June 30, 2007 to \$3,284,712 at the end of this year, an increase of 29%.

Governmental activities. Governmental activities increased the County’s net assets by \$356,341. A condensed version of the Statement of Activities as of June 30, 2008, follows:

Dubuque County, Iowa
Changes in Net Assets of Governmental Activities

	Year Ended June 30,	
	2008	2007
Program revenues:		
Fines, fees, and charges for service	\$ 10,824,722	\$ 10,437,530
Operating grants and contributions	6,983,830	5,477,125
Capital grants and contributions	695,044	3,155,960
General revenues:		
Property taxes	22,282,862	20,821,834
Penalty and interest on property tax	211,602	165,609
State tax credits	3,590,137	3,578,824
Local option sales tax	3,176,934	3,341,836
Unrestricted investment earnings	961,121	1,089,662
Gain on sale of capital assets	-	16,437
Miscellaneous	1,107,105	854,248
	<u>49,833,357</u>	<u>48,939,065</u>
Program expenses:		
Public safety and legal services	11,803,297	11,061,080
Physical health and social services	11,629,442	11,561,122
Mental health	8,991,700	8,743,779
County environment and education	2,910,421	2,005,869
Roads and transportation	9,565,513	9,036,197
Governmental services to residents	1,398,190	1,391,900
Administration	2,930,334	3,068,190
Non-program	172,269	100,035
Interest on long-term debt	75,850	91,550
	<u>49,477,016</u>	<u>47,059,722</u>
Increase in net assets	356,341	1,879,343
Beginning net assets	<u>81,361,296</u>	<u>79,481,953</u>
Ending net assets	<u>\$ 81,717,637</u>	<u>\$ 81,361,296</u>

-- Taxes increased by \$1,353,432, or 6.5%, during the year. This increase represents a taxable valuation growth of 2.3%, a 16.6 cent increase in the general fund levy, 11 cent increase in the rural fund levy and 1.2 cent decrease in the debt service levy.

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 \$14,756,934, an increase of \$1,278,751 in comparison with the prior year. The *unreserved fund balance* of \$12,450,427, which is available for spending at the County's discretion, increased \$727,694 with the reserve for inventories increasing \$70,637. The *designated* fund balance of \$496,901 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 \$4,516,514, while the total fund balance reached \$5,730,682. 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 17% of total general fund expenditures, while total fund balance represents 20% of that same amount.

The fund balance of the County's general fund increased \$322,507 during the current fiscal year. Key factors in this increase are as follows:

- Revenues increased \$1,283,893, due to increases in revenue categories, particularly taxes and intergovernmental revenues.
- Expenses increased \$529,498, primarily due to across the board wage and salary increases.

The rural services fund has a total fund balance of \$2,835, which is a decrease of \$58,336 from the prior year. Key factors in this decrease are as follows:

- The Zoning department revenues and expenses were moved from the general fund to funding from the rural fund.
- Increase in levy of 11.1 cents resulted in additional taxes of approximately \$143,400 and increase in transfer to the secondary road, library and zoning funds of \$253,352.

The secondary roads fund has a total fund balance of \$887,953, which is a decrease of \$939,545 from the prior year. Key factors in this decrease are as follows:

- Expenses increased approximately \$1,612,000, mainly due to record setting snow fall and multiple snow and ice storms.

- Non-tax revenues increased only \$123,187.
- Transfers from the rural fund increased only \$41,639.

The mental health fund has a total fund balance of \$698,370, which is a decrease of \$536,654 from the prior year. Key factors in this decrease are as follows:

- A 34 cent increase in the tax levy did not offset the increase in annual expenditures.

The local option tax fund has a total fund balance of \$5,462,822, which is an increase of \$2,478,194 from the prior year. A key factor in this increase was:

- Timing of road construction projects, particularly delayed projects in the spring.

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 October 22, 2007, increased disbursements by \$3,043,922. This amendment revised disbursements to reflect monies budgeted in the previous fiscal year which were not expended until the current fiscal year. \$2.1 million was due to the timing of road construction projects.

The second amendment, on March 24, 2008, decreased revenues by \$319,453 and disbursements by \$3,590,550. These decreases reflected changes made by the Board of Supervisors during departmental worksessions for preparation of the FY09 budget. The majority of the revenue and expenditure decreases were due to across the board cuts imposed by the Board.

The third amendment, on May 19, 2008, increased receipts by \$138,030 and disbursements by \$949,387. Revenue increases were for additional grant monies and insurance reimbursement. Expenditure increases included a decrease in anticipated election costs, increased petroleum and snow removal costs and loans from the rural loan fund.

The net decrease in revenues of \$181,423 resulted in an amended total of \$49,314,334. The net increase in disbursements of \$402,759 resulted in an amended total of \$54,722,746.

Actual cash disbursements for the year totaled \$47,674,681 or \$7,048,065 less than the final amended budget. The largest factor contributing to the difference was capital projects which were approximately \$4.043 million less than budget due to seasonal timing of road construction projects in the local option tax fund and loans made from the rural economic development fund of \$481 thousand less than budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of FY08, Dubuque County had \$70,358,760 invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This amount represents a net decrease (including additions and deletions) of \$1,655,016, or 2.3% over last year.

Capital Assets of Governmental Activities at Year-End

	June 30,	
	2008	2007
Land	\$ 3,495,142	\$ 3,495,142
Buildings and improvements	13,315,412	13,762,953
Machinery and equipment	4,812,739	5,240,234
Infrastructure	48,207,491	49,059,683
Construction in progress	<u>527,976</u>	<u>455,764</u>
Total	<u>\$ 70,358,760</u>	<u>\$ 72,013,776</u>

The County had depreciation expense of \$4,385,443 for the year ended June 30, 2008, and total accumulated depreciation as of June 30, 2008 of \$48,426,342.

The County's fiscal year 2008 capital budget included approximately \$5.9 million for capital projects, which was budgeted in local option funds for secondary road construction projects. The County has no plans to issue additional debt to finance these projects. The County will use resources on hand in the County's fund balance.

Additional information on the County's capital assets can be found in Note 5 on pages 27 and 28 of this report.

Long-term Liabilities

At year-end, the County had total long-term liabilities of \$3,685,553 compared to \$4,121,551 last year, a decrease of \$435,998 (10.6%), as detailed below:

Long-term Liabilities of Governmental Activities at Year-End

	June 30,	
	2008	2007
General obligation bonds	\$ 1,380,000	\$ 1,805,000
Rural economic development loan	660,285	695,777
Compensated absences	<u>1,645,268</u>	<u>1,620,774</u>
Total	<u>\$ 3,685,553</u>	<u>\$ 4,121,551</u>

For more detailed information on the County's debt and amortization terms, please refer to Note 8 on pages 30 and 31 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the County is currently 4.0%, up .3% from the previous year and comparable with the State of Iowa rate of 4.0% and the 5.6% national rate. Currently, there are 56,300 jobs in Dubuque County, a decrease of 2,400 from the previous year.

Taxes levied for fiscal year 2009 will increase by \$1.738 million, or 7.8% from the fiscal year 2008 budget. This increase represents a taxable valuation growth of 7.8% and a 1.2 cent decrease in the County-wide levy and no change in the rural levy.

The 2009 County-wide levy rate is \$6.42 per thousand dollars of taxable value. Net property tax revenue represents 46% of total revenues, an increase from 42% in 2008. Rural residents will pay \$9.79 per thousand dollars of taxable value, including the rural service levy of \$3.37.

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.

BASIC FINANCIAL STATEMENTS

DUBUQUE COUNTY

DUBUQUE COUNTY
STATEMENT OF NET ASSETS
JUNE 30, 2008

Exhibit A

	<u>Primary Government</u>	<u>Component Unit</u>
	Governmental Activities	Drug Task Force
ASSETS		
Cash and pooled investments	\$ 14,202,379	\$ 35,294
Receivables:		
Property tax:		
Delinquent	55,444	-
Succeeding year	24,061,491	-
Interest and penalty on property tax	35,015	-
Accounts	74,438	-
Accrued interest	128,857	-
Due from other governments	2,051,844	-
Prepaid expenses	359,485	-
Inventories	578,462	-
Notes receivable	1,055,933	-
Capital assets:		
Land and construction in progress, not being depreciated	4,023,118	-
Other capital assets (net of accumulated depreciation)	<u>66,335,642</u>	<u>-</u>
Total assets	<u>112,962,108</u>	<u>35,294</u>
LIABILITIES		
Accounts payable	1,659,565	-
Accrued interest payable	7,602	-
Salaries and benefits payable	833,572	-
Due to other governments	996,688	-
Unearned revenue	24,061,491	-
Long-term liabilities:		
Portion due or payable within one year:		
Notes payable	35,847	-
Bonds payable	440,000	-
Compensated absences	1,008,573	-
Portion due or payable after one year:		
Notes payable	624,438	-
Bonds payable	940,000	-
Compensated absences	<u>636,695</u>	<u>-</u>
Total liabilities	<u>31,244,471</u>	<u>-</u>
NET ASSETS		
Invested in capital assets, net of related debt	68,978,760	-
Restricted for:		
Supplemental levy purposes	665,674	-
Mental health purposes	712,076	-
Secondary roads purposes	887,953	-
Other purposes	7,188,462	-
Unrestricted	<u>3,284,712</u>	<u>35,294</u>
Total net assets	<u>\$ 81,717,637</u>	<u>\$ 35,294</u>

See notes to financial statements.

DUBUQUE COUNTY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2008

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	\$ 11,803,297	\$ 1,929,476	\$ 566,013	\$ 57,971
Physical health and social services	11,629,442	7,149,686	1,143,113	10,322
Mental health	8,991,700	-	959,851	-
County environment and education	2,910,421	366,110	132,044	77,299
Roads and transportation	9,565,513	15,532	4,182,809	549,452
Governmental services to residents	1,398,190	1,242,148	-	-
Administration	2,930,334	71,733	-	-
Non-program	172,269	50,037	-	-
Interest on long-term debt	75,850	-	-	-
Total primary government	<u>\$ 49,477,016</u>	<u>\$ 10,824,722</u>	<u>\$ 6,983,830</u>	<u>\$ 695,044</u>
Component unit:				
Drug Task Force	<u>\$ 52,246</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

Miscellaneous

Total general revenues

Change in net assets

Net assets beginning of year

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>
\$ (9,249,837)	
(3,326,321)	
(8,031,849)	
(2,334,968)	
(4,817,720)	
(156,042)	
(2,858,601)	
(122,232)	
<u>(75,850)</u>	
<u>(30,973,420)</u>	
	\$ <u>(52,246)</u>
21,797,362	-
485,500	-
211,602	-
3,590,137	-
3,176,934	-
961,121	812
<u>1,107,105</u>	<u>28,791</u>
<u>31,329,761</u>	<u>29,603</u>
356,341	(22,643)
<u>81,361,296</u>	<u>57,937</u>
<u>\$ 81,717,637</u>	<u>\$ 35,294</u>

DUBUQUE COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	Special		
	General	Rural Services	Secondary Roads
Assets			
Cash and pooled investments	\$ 5,347,083	\$ 2,566	\$ 532,242
Receivables:			
Property tax:			
Delinquent	34,813	9,165	-
Succeeding year	15,817,525	3,041,212	-
Interest and penalty on property tax	35,015	-	-
Accounts	70,264	-	150
Accrued interest	128,857	-	-
Due from other governments	1,103,540	-	257,605
Inventories	65,351	-	513,111
Prepaid expenses	359,485	-	-
Notes receivable	8,143	-	-
	<u>8,143</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 22,970,076</u>	<u>\$ 3,052,943</u>	<u>\$ 1,303,108</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 468,914	\$ -	\$ 316,787
Salaries and benefits payable	716,860	-	93,742
Due to other governments	85,698	-	4,626
Deferred revenue:			
Succeeding year property tax	15,817,525	3,041,212	-
Other	150,397	8,896	-
Total liabilities	<u>17,239,394</u>	<u>3,050,108</u>	<u>415,155</u>
Fund balances:			
Reserved for:			
Inventories	65,351	-	513,111
Supplemental levy purposes	665,674	-	-
Notes receivable	8,143	-	-
Debt service	-	-	-
Unreserved:			
Designated	475,000	-	-
Undesignated, reported in:			
General fund	4,516,514	-	-
Special revenue funds	-	2,835	374,842
	<u>5,730,682</u>	<u>2,835</u>	<u>887,953</u>
Total fund balances	<u>5,730,682</u>	<u>2,835</u>	<u>887,953</u>
	<u>\$ 22,970,076</u>	<u>\$ 3,052,943</u>	<u>\$ 1,303,108</u>

See notes to financial statements.

Revenue			
Mental Health	Local Option Tax	Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,223,914	\$ 5,096,712	\$ 999,862	\$ 14,202,379
10,353	-	1,113	55,444
4,704,154	-	498,600	24,061,491
-	-	-	35,015
599	-	3,425	74,438
-	-	-	128,857
51,607	639,092	-	2,051,844
-	-	-	578,462
-	-	-	359,485
-	48,978	998,812	1,055,933
<u>\$ 6,990,627</u>	<u>\$ 5,784,782</u>	<u>\$ 2,501,812</u>	<u>\$ 42,603,348</u>
\$ 662,256	\$ 200,940	\$ 10,668	\$ 1,659,565
5,805	-	17,165	833,572
906,336	-	28	996,688
4,704,154	-	498,600	24,061,491
13,706	121,020	1,079	295,098
<u>6,292,257</u>	<u>321,960</u>	<u>527,540</u>	<u>27,846,414</u>
-	-	-	578,462
-	-	-	665,674
-	48,978	998,812	1,055,933
-	-	6,438	6,438
-	-	21,901	496,901
-	-	-	4,516,514
698,370	5,413,844	947,121	7,437,012
<u>698,370</u>	<u>5,462,822</u>	<u>1,974,272</u>	<u>14,756,934</u>
<u>\$ 6,990,627</u>	<u>\$ 5,784,782</u>	<u>\$ 2,501,812</u>	<u>\$ 42,603,348</u>

DUBUQUE COUNTY
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2008

Exhibit D

Total governmental fund balances \$ 14,756,934

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 \$274,845 accumulated depreciation	\$ 4,005,729	
Construction in progress	527,976	
Infrastructure, net of \$30,685,253 accumulated depreciation	48,207,491	
Buildings, net of \$8,225,723 accumulated depreciation	12,804,825	
Equipment, net of \$9,240,521 accumulated depreciation	<u>4,812,739</u>	
Total capital assets		70,358,760

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. 295,098

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, 2008, are:

Accrued interest on bonds	(7,602)	
Notes payable	(660,285)	
Bonds payable	(1,380,000)	
Compensated absences	<u>(1,645,268)</u>	
Total long-term liabilities		<u>(3,693,155)</u>

Net assets of governmental activities \$ 81,717,637

DUBUQUE COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008

	Special		
	General	Rural Services	Secondary Roads
Revenues:			
Property and other County tax	\$ 14,817,214	\$ 2,703,342	\$ -
Interest and penalty on property tax	177,902	-	-
Intergovernmental	10,108,652	104,144	3,382,940
Licenses and permits	38,119	-	5,820
Charges for service	3,106,572	-	6,870
Use of money and property	969,416	-	59,089
Miscellaneous	<u>275,822</u>	<u>-</u>	<u>38,396</u>
Total revenues	<u>29,493,697</u>	<u>2,807,486</u>	<u>3,493,115</u>
Expenditures:			
Operating:			
Public safety and legal services	11,356,232	-	-
Physical health and social services	11,551,452	-	-
Mental health	-	-	-
County environment and education	2,003,491	-	-
Roads and transportation	5,000	-	6,670,885
Governmental services to residents	1,316,418	-	-
Administration	2,828,811	-	-
Non-program	109,786	-	3,243
Debt service	-	-	-
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>29,171,190</u>	<u>-</u>	<u>6,674,128</u>
Excess (deficiency) of revenues over (under) expenditures	<u>322,507</u>	<u>2,807,486</u>	<u>(3,181,013)</u>
Other financing sources (uses):			
Transfers in (out)	-	(2,865,822)	2,239,443
Sale of capital assets	<u>-</u>	<u>-</u>	<u>2,025</u>
Total other financing sources (uses)	<u>-</u>	<u>(2,865,822)</u>	<u>2,241,468</u>
Net change in fund balances	322,507	(58,336)	(939,545)
Fund balances beginning of year	<u>5,408,175</u>	<u>61,171</u>	<u>1,827,498</u>
Fund balances end of year	<u>\$ 5,730,682</u>	<u>\$ 2,835</u>	<u>\$ 887,953</u>

See notes to financial statements.

Revenue			
<u>Mental Health</u>	<u>Local Option Tax</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 4,223,212	\$ 3,176,934	\$ 485,500	\$ 25,406,202
-	-	-	177,902
4,226,215	1,218,249	147,428	19,187,628
-	-	17,050	60,989
-	-	55,807	3,169,249
-	-	100,850	1,129,355
<u>10,063</u>	<u>-</u>	<u>4,596</u>	<u>328,877</u>
<u>8,459,490</u>	<u>4,395,183</u>	<u>811,231</u>	<u>49,460,202</u>
-	-	4,434	11,360,666
-	-	-	11,551,452
8,996,144	-	-	8,996,144
-	-	758,926	2,762,417
-	-	-	6,675,885
-	-	59,126	1,375,544
-	-	-	2,828,811
-	-	59,239	172,268
-	-	543,300	543,300
-	1,916,989	-	1,916,989
<u>8,996,144</u>	<u>1,916,989</u>	<u>1,425,025</u>	<u>48,183,476</u>
<u>(536,654)</u>	<u>2,478,194</u>	<u>(613,794)</u>	<u>1,276,726</u>
-	-	626,379	-
-	-	-	2,025
<u>-</u>	<u>-</u>	<u>626,379</u>	<u>2,025</u>
(536,654)	2,478,194	12,585	1,278,751
<u>1,235,024</u>	<u>2,984,628</u>	<u>1,961,687</u>	<u>13,478,183</u>
<u>\$ 698,370</u>	<u>\$ 5,462,822</u>	<u>\$ 1,974,272</u>	<u>\$ 14,756,934</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, 2008

Exhibit F

Net change in fund balances - Total governmental funds	\$ 1,278,751
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>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 depreciation (\$4,385,443) exceeded capital outlay (\$2,789,211) in the current period.</p>	
	(1,596,232)
<p>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.</p>	
Repayments	460,492
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	295,098
<p>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:</p>	
Change in accrued compensated absences	(24,494)
Change in accrued interest on debt	1,510
<p>In the statement of activities, the gain or loss on the sale of capital assets is recognized, whereas in the governmental funds, only 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.</p>	
	<u>(58,784)</u>
Change in net assets of governmental activities	<u>\$ 356,341</u>

DUBUQUE COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2008

Exhibit G

ASSETS

Cash and pooled investments:

County Treasurer	\$ 4,005,726
Other County officials	254,645

Receivables:

Property tax:

Delinquent	167,081
Succeeding year	83,338,014
Special assessments	13,184
Accounts	<u>3,467</u>

Total assets	<u>87,782,117</u>
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LIABILITIES

Accounts payable	19,884
Salaries and benefits payable	29,264
Due to other governments	87,588,116
Trusts payable	<u>144,853</u>

Total liabilities	<u>87,782,117</u>
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NET ASSETS

	<u><u>\$ -</u></u>
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DUBUQUE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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, 2008

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, 2008

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, 2008

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 financial statements:

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, 2006, assessed property valuations; is for the tax accrual period July 1, 2007, through June 30, 2008, and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March, 2007.

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, 2008

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, 2008, 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 County), 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. All 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, 2008

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 and sick leave hours for subsequent use or for payment upon termination, death, or retirement. A liability is recorded when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2008. 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, 2008, disbursements exceeded the amounts budgeted in the non-program function, and disbursements in certain departments exceeded the amounts appropriated.

NOTE 2 – CASH AND POOLED INVESTMENTS

The County's deposits in banks at June 30, 2008, 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 at June 30, 2008.

DUBUQUE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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

The detail of interfund transfers for the year ended June 30, 2008, is as follows:

	Transfer to:		
	Secondary Roads	Nonmajor Funds	Total
Transfer from:			
Rural Services	\$ 2,239,443	\$ 626,379	\$ 2,865,822

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

DUBUQUE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 4 – 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, 2008, was \$187,929.

The County has guaranteed indebtedness through the Rural Economic Development Intermediary Relending Program with five loans to businesses located in Dubuque County, totaling \$810,883 at June 30, 2008. The loans are accounted for in the Rural Economic Development Fund and mature in varying amounts through June 30, 2023.

The County has made an interest-free loan to the City of Bernard 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, 2008, was \$48,978.

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, 2008, was \$8,143.

NOTE 5 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2008, was as follows:

Primary government

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 3,495,142	\$ -	\$ -	\$ 3,495,142
Construction in progress	455,764	2,236,652	2,164,440	527,976
Total capital assets, not being depreciated	<u>3,950,906</u>	<u>2,236,652</u>	<u>2,164,440</u>	<u>4,023,118</u>
Capital assets, being depreciated:				
Buildings	20,994,132	72,816	36,400	21,030,548
Improvements other than buildings	785,432	-	-	785,432
Machinery and equipment	13,629,688	615,572	192,000	14,053,260
Infrastructure	76,864,133	2,028,611	-	78,892,744
Total capital assets being depreciated	<u>112,273,385</u>	<u>2,716,999</u>	<u>228,400</u>	<u>114,761,984</u>

DUBUQUE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Less accumulated depreciation for:				
Buildings	\$ 7,803,639	\$ 458,484	\$ 36,400	\$ 8,225,723
Improvements other than buildings	212,972	61,873	-	274,845
Machinery and equipment	8,389,454	984,283	133,216	9,240,521
Infrastructure	<u>27,804,450</u>	<u>2,880,803</u>	<u>-</u>	<u>30,685,253</u>
Total accumulated depreciation	<u>44,210,515</u>	<u>4,385,443</u>	<u>169,616</u>	<u>48,426,342</u>
Total capital assets, being depreciated, net	<u>68,062,870</u>	<u>(1,668,444)</u>	<u>58,784</u>	<u>66,335,642</u>
Governmental activities capital assets, net	<u>\$72,013,776</u>	<u>\$ 568,208</u>	<u>\$ 2,223,224</u>	<u>\$70,358,760</u>

Depreciation expense was charged to the following functions:

Governmental activities:

Public safety and legal services	\$ 459,559
Physical health and social services	104,467
County environment and education	188,747
Roads and transportation	3,271,248
Governmental services to residents	70,357
Administration	<u>291,065</u>
Total depreciation expense - governmental activities	<u>\$ 4,385,443</u>

Discretely Presented Component Unit

Capital assets activity for the Drug Task Force for the year ended June 30, 2008, 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>

DUBUQUE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 6 – DUE TO OTHER GOVERNMENTS

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

Fund	Description	Amount
General	Services	<u>\$ 85,698</u>
Special Revenue:		
Secondary Roads	Services	4,626
Mental Health	Services	906,336
Library	Services	<u>28</u>
		<u>910,990</u>
Total for governmental funds		<u>\$ 996,688</u>
Agency:		
County Recorder	Collections	\$ 64,428
County Recorder's Electronic Transaction Fee		3,418
County Sheriff		74,392
E911		419,816
Drainage District		704
Agricultural Extension Education		118,251
County Assessor		861,022
City Assessor		842,838
Schools		49,838,313
Area Schools		1,845,198
Corporations		29,908,123
Townships		502,343
Auto License and Use Tax		2,188,922
Brucellosis and Tuberculosis Eradication		11,577
Joint Disaster Services		24,326
County Hospital		<u>884,445</u>
Total for agency funds		<u>\$ 87,588,116</u>

DUBUQUE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 7 – 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>	
2009	\$ 291,612

Payments under these leases for the year ended June 30, 2008, totaled \$229,821.

NOTE 8 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2008, is as follows:

	<u>General Obligation Bonds</u>	<u>Rural Economic Development Loan</u>	<u>Compensated Absences</u>	<u>Total</u>
Balance beginning of year	\$ 1,805,000	\$ 695,777	\$ 1,620,774	\$ 4,121,551
Increases	-	-	1,031,808	1,031,808
Decreases	<u>(425,000)</u>	<u>(35,492)</u>	<u>(1,007,314)</u>	<u>(1,467,806)</u>
Balance end of year	<u>\$ 1,380,000</u>	<u>\$ 660,285</u>	<u>\$ 1,645,268</u>	<u>\$ 3,685,553</u>
Due within one year	<u>\$ 440,000</u>	<u>\$ 35,847</u>	<u>\$ 1,008,573</u>	<u>\$ 1,484,420</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 interest rates ranging from 3.5% – 5.5%.

DUBUQUE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Bonds Payable

A summary of the County's June 30, 2008, indebtedness is as follows:

Year Ending June 30,	General Obligation Bonds			Rural Economic Development Loan		
	Interest	Principal	Interest	Interest	Principal	Interest
	Rates			Rates		
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	4.250%	480,000	20,400	1.000%	36,568	5,882
2012	-	-	-	1.000%	36,933	5,517
2013	-	-	-	1.000%	37,303	5,147
2014-2018	-	-	-	1.000%	192,183	20,067
2019-2023	-	-	-	1.000%	201,987	10,263
2024-2025	-	-	-	1.000%	83,258	1,642
		<u>\$ 1,380,000</u>	<u>\$ 118,450</u>		<u>\$ 660,285</u>	<u>\$ 61,365</u>

NOTE 9 – 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.

Most regular plan members are required to contribute 3.90% of their annual covered salary and the County is required to contribute 6.05% of covered salary. Certain employees in special risk occupations and the County contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2008, 2007, and 2006, were \$1,060,104, \$996,481, and \$965,075, respectively, equal to the required contributions for each year.

NOTE 10 – 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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Dubuque County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 670.7 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 570 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine, and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual 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 200 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.

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, 2008, were \$360,819.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured in an amount not to exceed \$2,650,000 per claim and \$10,000,000 in the aggregate per year. For members requiring specific coverage from \$3,000,000 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 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, 2008, no liability has been recorded in the County's financial statements. As of June 30, 2008, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

DUBUQUE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their casualty capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its casualty capital contributions. However, the refund is reduced by an amount equal to the annual casualty 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 11 – 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.

At June 30, 2008, there were seven series of Industrial Revenue Bonds outstanding. The aggregate principal amount payable for the one series issued after July 1, 1997, was \$5,370,000. 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 12 – CONSTRUCTION COMMITMENTS

The County has entered into a contract totaling \$2,115,879 for road construction. As of June 30, 2008, costs of \$362,505 on the project have been incurred. The balance remaining on the project at June 30, 2008, (\$1,753,374) will be paid as work on the project progresses.

The County has entered into two contracts totaling \$247,920 for road construction. As of June 30, 2008, no costs on the projects have been incurred. The balance remaining on the projects at June 30, 2008, (\$247,920) will be paid as work on the project progresses.

DUBUQUE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 13 – DESIGNATION OF FUND BALANCES

	General
Construction/remodeling projects	\$ 125,000
Land and other capital purchases	<u>371,901</u>
	<u>\$ 496,901</u>

NOTE 14 – 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. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, issued June 2004, will be effective for the fiscal year ending June 30, 2009. This statement establishes standards for the measurement, recognition, and display of other postemployment benefit (OPEB) expense/expenditures and related liabilities (assets), note disclosures and, if applicable, required supplementary information in the financial reports of state and local governmental employers.

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 was effective for the fiscal year ended June 30, 2006.

Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, issued November 2006, will be effective for the fiscal year ending June 30, 2009. This statement establishes standards for accounting and financial reporting for obligations to address the current or potential detrimental effects of existing pollution.

Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued June 2007, will be effective for the fiscal year ending June 30, 2010. This statement requires that all intangible assets not specifically excluded by its scope be classified as capital assets.

Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, issued November 2007, will be effective for the fiscal year ending June 30, 2009. This statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities.

Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, issued June 2008, will be effective for the fiscal year ending June 30, 2010. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments.

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

REQUIRED SUPPLEMENTARY INFORMATION

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, 2008

	Actual	Budgeted Amounts	
		Original	Final
Receipts:			
Property and other County tax	\$ 25,385,452	\$ 25,168,328	\$ 25,144,736
Interest and penalty on property tax	178,524	145,250	163,400
Intergovernmental	19,081,016	16,672,016	19,028,869
Licenses and permits	63,234	75,025	69,850
Charges for service	3,460,623	3,411,642	3,316,383
Use of money and property	1,308,423	963,701	1,207,469
Miscellaneous	236,248	3,059,795	383,627
Total receipts	<u>49,713,520</u>	<u>49,495,757</u>	<u>49,314,334</u>
Disbursements:			
Public safety and legal services	11,276,664	11,663,861	11,643,200
Physical health and social services	11,496,543	12,480,657	12,280,006
Mental health	8,640,280	9,394,831	9,180,509
County environment and education	2,975,729	2,886,241	3,795,216
Roads and transportation	6,504,178	5,883,562	6,646,954
Governmental services to residents	1,369,552	1,342,511	1,479,352
Administration	2,911,025	2,893,924	3,203,861
Non-program	68,887	11,000	19,050
Debt service	500,600	500,600	500,600
Capital projects	1,931,223	7,262,800	5,973,998
Total disbursements	<u>47,674,681</u>	<u>54,319,987</u>	<u>54,722,746</u>
Excess (deficiency) of receipts over (under) disbursements	2,038,839	(4,824,230)	(5,408,412)
Other financing sources, net	<u>2,025</u>	<u>-</u>	<u>2,025</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	2,040,864	(4,824,230)	(5,406,387)
Balance beginning of year	<u>11,954,071</u>	<u>11,954,071</u>	<u>11,954,071</u>
Balance end of year	<u>\$ 13,994,935</u>	<u>\$ 7,129,841</u>	<u>\$ 6,547,684</u>

Variance - Over (Under)	Actual as a % of Amended
<u>Budget</u>	<u>Budget</u>
\$ 240,716	101
15,124	109
52,147	100
(6,616)	91
144,240	104
100,954	108
<u>(147,379)</u>	<u>62</u>
<u>399,186</u>	<u>101</u>
(366,536)	97
(783,463)	94
(540,229)	94
(819,487)	78
(142,776)	98
(109,800)	93
(292,836)	91
49,837	362
-	100
<u>(4,042,775)</u>	<u>32</u>
<u>(7,048,065)</u>	<u>87</u>
7,447,251	
<u>-</u>	
7,447,251	
<u>-</u>	
<u>\$ 7,447,251</u>	

DUBUQUE COUNTY
BUDGETARY COMPARISON SCHEDULE – BUDGET TO GAAP RECONCILIATION
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2008

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 49,713,520	\$ (253,318)	\$ 49,460,202
Expenditures	<u>47,674,681</u>	<u>508,795</u>	<u>48,183,476</u>
Net	2,038,839	(762,113)	1,276,726
Other financing sources, net	2,025	-	2,025
Beginning fund balances	<u>11,954,071</u>	<u>1,524,112</u>	<u>13,478,183</u>
Ending fund balances	<u><u>\$ 13,994,935</u></u>	<u><u>\$ 761,999</u></u>	<u><u>\$ 14,756,934</u></u>

DUBUQUE COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY REPORTING
JUNE 30, 2008

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 discretely presented component unit and 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. 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 \$402,759. 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, 2008, disbursements exceeded the amounts budgeted in the non-program function and disbursements in certain departments exceeded the amounts appropriated.

OTHER SUPPLEMENTARY INFORMATION

DUBUQUE COUNTY

DUBUQUE COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

Assets	County Assistance	REAP Fund	County Recorder's Records Management	Library
Cash and pooled investments	\$ 284	\$ 148,525	\$ 5,381	\$ 32,510
Receivables:				
Property tax:				
Delinquent	-	-	-	-
Succeeding year	-	-	-	-
Accounts	-	-	-	-
Notes receivable	<u>187,929</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total assets	 <u>\$ 188,213</u>	 <u>\$ 148,525</u>	 <u>\$ 5,381</u>	 <u>\$ 32,510</u>
 Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 2,885
Salaries and benefits payable	-	-	-	12,390
Due to other governments	-	-	-	28
Deferred revenue:				
Succeeding year property tax	-	-	-	-
Other	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,303</u>
Fund balances:				
Reserved for:				
Notes receivable	187,929	-	-	-
Debt service	-	-	-	-
Unreserved:				
Designated	-	21,901	-	-
Undesignated	<u>284</u>	<u>126,624</u>	<u>5,381</u>	<u>17,207</u>
Total fund balances	<u>188,213</u>	<u>148,525</u>	<u>5,381</u>	<u>17,207</u>
 Total liabilities and fund balances	 <u>\$ 188,213</u>	 <u>\$ 148,525</u>	 <u>\$ 5,381</u>	 <u>\$ 32,510</u>

Special Revenue								Total
Rural Economic Development	Gold Dome	Sheriff's Commissary	Conservation Land Acquisition	Conservation Easement Monitoring	Sheriff's Canine	Zoning	Debt Service	Nonmajor Governmental Funds
\$ 591,551	\$ 53,981	\$ 21,270	\$ 118,277	\$ 2,500	\$ 4,748	\$ 14,182	\$ 6,653	\$ 999,862
-	-	-	-	-	-	-	1,113	1,113
-	-	-	-	-	-	-	498,600	498,600
3,025	-	-	-	-	-	400	-	3,425
810,883	-	-	-	-	-	-	-	998,812
<u>\$ 1,405,459</u>	<u>\$ 53,981</u>	<u>\$ 21,270</u>	<u>\$ 118,277</u>	<u>\$ 2,500</u>	<u>\$ 4,748</u>	<u>\$ 14,582</u>	<u>\$ 506,366</u>	<u>\$ 2,501,812</u>
\$ 6,001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,533	\$ 249	\$ 10,668
-	-	-	-	-	-	4,775	-	17,165
-	-	-	-	-	-	-	-	28
-	-	-	-	-	-	-	498,600	498,600
-	-	-	-	-	-	-	1,079	1,079
<u>6,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,308</u>	<u>499,928</u>	<u>527,540</u>
810,883	-	-	-	-	-	-	-	998,812
-	-	-	-	-	-	-	6,438	6,438
-	-	-	-	-	-	-	-	21,901
588,575	53,981	21,270	118,277	2,500	4,748	8,274	-	947,121
<u>1,399,458</u>	<u>53,981</u>	<u>21,270</u>	<u>118,277</u>	<u>2,500</u>	<u>4,748</u>	<u>8,274</u>	<u>6,438</u>	<u>1,974,272</u>
<u>\$ 1,405,459</u>	<u>\$ 53,981</u>	<u>\$ 21,270</u>	<u>\$ 118,277</u>	<u>\$ 2,500</u>	<u>\$ 4,748</u>	<u>\$ 14,582</u>	<u>\$ 506,366</u>	<u>\$ 2,501,812</u>

DUBUQUE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008

	County Assistance	REAP Fund	County Recorder's Records Management	Library
Revenues:				
Property and other County tax	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	47,038	-	84,281
Licenses and permits	-	-	-	-
Charges for service	-	-	21,239	12,661
Use of money and property	-	2,116	263	-
Miscellaneous	-	-	-	1,342
Total revenues	<u>-</u>	<u>49,154</u>	<u>21,502</u>	<u>98,284</u>
Expenditures:				
Operating:				
Public safety and legal services	-	-	-	-
County environment and education	-	-	-	531,814
Governmental services to residents	-	-	59,126	-
Non-program	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>59,126</u>	<u>531,814</u>
Excess (deficiency) of revenues over (under) expenditures	-	49,154	(37,624)	(433,530)
Other financing sources (uses):				
Transfers in	-	-	-	436,704
Net change in fund balances	-	49,154	(37,624)	3,174
Fund balances beginning of year	<u>188,213</u>	<u>99,371</u>	<u>43,005</u>	<u>14,033</u>
Fund balances end of year	<u>\$ 188,213</u>	<u>\$ 148,525</u>	<u>\$ 5,381</u>	<u>\$ 17,207</u>

Special Revenue								Total
Rural Economic Development	Gold Dome	Sheriff's Commissary	Conservation Land Acquisition	Conservation Easement Monitoring	Sheriff's Canine	Zoning	Debt Service	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 485,500	\$ 485,500
-	-	-	-	-	-	-	16,109	147,428
-	-	-	-	-	-	17,050	-	17,050
-	-	-	-	-	-	21,907	-	55,807
47,542	892	50,037	-	-	-	-	-	100,850
-	-	-	-	2,500	-	754	-	4,596
<u>47,542</u>	<u>892</u>	<u>50,037</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>39,711</u>	<u>501,609</u>	<u>811,231</u>
-	-	-	-	-	4,434	-	-	4,434
6,000	-	-	-	-	-	221,112	-	758,926
-	-	-	-	-	-	-	-	59,126
-	-	59,239	-	-	-	-	-	59,239
42,450	-	-	-	-	-	-	500,850	543,300
<u>48,450</u>	<u>-</u>	<u>59,239</u>	<u>-</u>	<u>-</u>	<u>4,434</u>	<u>221,112</u>	<u>500,850</u>	<u>1,425,025</u>
(908)	892	(9,202)	-	2,500	(4,434)	(181,401)	759	(613,794)
-	-	-	-	-	-	189,675	-	626,379
(908)	892	(9,202)	-	2,500	(4,434)	8,274	759	12,585
<u>1,400,366</u>	<u>53,089</u>	<u>30,472</u>	<u>118,277</u>	<u>-</u>	<u>9,182</u>	<u>-</u>	<u>5,679</u>	<u>1,961,687</u>
<u>\$ 1,399,458</u>	<u>\$ 53,981</u>	<u>\$ 21,270</u>	<u>\$ 118,277</u>	<u>\$ 2,500</u>	<u>\$ 4,748</u>	<u>\$ 8,274</u>	<u>\$ 6,438</u>	<u>\$ 1,974,272</u>

DUBUQUE COUNTY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2008

Schedule 3

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
COUNTY AUDITOR				
Assets:				
Cash on hand	\$ 5,342	\$ 138	\$ -	\$ 5,480
Liabilities:				
Trusts payable	\$ 5,342	\$ 138	\$ -	\$ 5,480
COUNTY RECORDER				
Assets:				
Cash on hand	\$ 102,217	\$ 1,468,853	\$ 1,509,184	\$ 61,886
Accounts receivable	5,078	2,542	5,078	2,542
Total assets	<u>\$ 107,295</u>	<u>\$ 1,471,395</u>	<u>\$ 1,514,262</u>	<u>\$ 64,428</u>
Liabilities:				
Due to other funds	\$ -	\$ 671,647	\$ 671,647	\$ -
Due to other governments	107,295	794,670	837,537	64,428
Total liabilities	<u>\$ 107,295</u>	<u>\$ 1,466,317</u>	<u>\$ 1,509,184</u>	<u>\$ 64,428</u>
COUNTY RECORDER'S ELECTRONIC TRANSACTION FEE				
Assets:				
Cash on hand	\$ 1,799	\$ 21,238	\$ 19,619	\$ 3,418
Liabilities:				
Due to other governments	\$ 1,799	\$ 21,238	\$ 19,619	\$ 3,418

(continued)

DUBUQUE COUNTY **Schedule 3**
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES **(continued)**
AGENCY FUNDS
YEAR ENDED JUNE 30, 2008

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
COUNTY SHERIFF				
Assets:				
Cash on hand	\$ 71,128	\$ 2,805,851	\$ 2,750,048	\$ 126,931
Liabilities:				
Due to other funds	\$ -	\$ 280,302	\$ 280,302	\$ -
Due to other governments	62,185	627,498	615,291	74,392
Trusts payable	8,943	1,898,051	1,854,455	52,539
Total liabilities	<u>\$ 71,128</u>	<u>\$ 2,805,851</u>	<u>\$ 2,750,048</u>	<u>\$ 126,931</u>
E911 FUND				
Assets:				
Cash and pooled investments	\$ 400,783	\$ 622,267	\$ 589,890	\$ 433,160
Accounts receivable	2	925	2	925
Total assets	<u>\$ 400,785</u>	<u>\$ 623,192</u>	<u>\$ 589,892</u>	<u>\$ 434,085</u>
Liabilities:				
Accounts payable	\$ 13,765	\$ 14,269	\$ 13,765	\$ 14,269
Due to other governments	387,020	608,923	576,127	419,816
Total liabilities	<u>\$ 400,785</u>	<u>\$ 623,192</u>	<u>\$ 589,892</u>	<u>\$ 434,085</u>
DRAINAGE DISTRICT FUND				
Assets:				
Cash and pooled investments	\$ 692	\$ 12	\$ -	\$ 704
Liabilities:				
Due to other governments	\$ 692	\$ 12	\$ -	\$ 704

(continued)

DUBUQUE COUNTY **Schedule 3**
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES **(continued)**
AGENCY FUNDS
YEAR ENDED JUNE 30, 2008

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
AGRICULTURAL EXTENSION EDUCATION FUND				
Assets:				
Cash and pooled investments	\$ 987	\$ 116,792	\$ 116,636	\$ 1,143
Property tax receivable:				
Delinquent	269	276	269	276
Succeeding year	116,496	116,832	116,496	116,832
Total assets	\$ 117,752	\$ 233,900	\$ 233,401	\$ 118,251
Liabilities:				
Due to other governments	\$ 117,752	\$ 233,900	\$ 233,401	\$ 118,251
 COUNTY ASSESSOR FUND				
Assets:				
Cash and pooled investments	\$ 210,968	\$ 659,061	\$ 604,546	\$ 265,483
Receivables:				
Property tax:				
Delinquent	1,406	1,978	1,406	1,978
Succeeding year	609,842	610,252	609,842	610,252
Accounts	187	-	187	-
Total assets	\$ 822,403	\$ 1,271,291	\$ 1,215,981	\$ 877,713
Liabilities:				
Accounts payable	\$ 1,639	\$ 3,788	\$ 1,639	\$ 3,788
Salaries and benefits payable	12,246	12,903	12,246	12,903
Due to other governments	808,518	1,254,600	1,202,096	861,022
Total liabilities	\$ 822,403	\$ 1,271,291	\$ 1,215,981	\$ 877,713

(continued)

DUBUQUE COUNTY **Schedule 3**
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES **(continued)**
AGENCY FUNDS
YEAR ENDED JUNE 30, 2008

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
CITY ASSESSOR FUND				
Assets:				
Cash and pooled investments	\$ 274,581	\$ 628,081	\$ 628,642	\$ 274,020
Receivables:				
Property tax:				
Delinquent	898	1,010	898	1,010
Succeeding year	577,183	582,001	577,183	582,001
Accounts	23	-	23	-
Total assets	<u>\$ 852,685</u>	<u>\$ 1,211,092</u>	<u>\$ 1,206,746</u>	<u>\$ 857,031</u>
Liabilities:				
Accounts payable	\$ 138	\$ 338	\$ 138	\$ 338
Salaries and benefits payable	14,759	13,855	14,759	13,855
Due to other governments	837,788	1,196,899	1,191,849	842,838
Total liabilities	<u>\$ 852,685</u>	<u>\$ 1,211,092</u>	<u>\$ 1,206,746</u>	<u>\$ 857,031</u>
SCHOOLS FUND				
Assets:				
Cash and pooled investments	\$ 381,193	\$ 47,875,968	\$ 47,786,403	\$ 470,758
Property tax receivable:				
Delinquent	103,337	111,769	103,337	111,769
Succeeding year	44,079,434	49,255,786	44,079,434	49,255,786
Total assets	<u>\$ 44,563,964</u>	<u>\$ 97,243,523</u>	<u>\$ 91,969,174</u>	<u>\$ 49,838,313</u>
Liabilities:				
Due to other governments	<u>\$ 44,563,964</u>	<u>\$ 97,243,523</u>	<u>\$ 91,969,174</u>	<u>\$ 49,838,313</u>

(continued)

DUBUQUE COUNTY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2008

Schedule 3
(continued)

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
AREA SCHOOLS FUND				
Assets:				
Cash and pooled investments	\$ 15,329	\$ 1,863,080	\$ 1,860,172	\$ 18,237
Property tax receivable:				
Delinquent	4,185	4,412	4,185	4,412
Succeeding year	1,858,379	1,822,549	1,858,379	1,822,549
Total assets	<u>\$ 1,877,893</u>	<u>\$ 3,690,041</u>	<u>\$ 3,722,736</u>	<u>\$ 1,845,198</u>
Liabilities:				
Due to other governments	<u>\$ 1,877,893</u>	<u>\$ 3,690,041</u>	<u>\$ 3,722,736</u>	<u>\$ 1,845,198</u>
CORPORATIONS FUND				
Assets:				
Cash and pooled investments	\$ 218,865	\$ 29,053,385	\$ 28,990,103	\$ 282,147
Receivables:				
Property tax:				
Delinquent	41,252	44,236	41,252	44,236
Succeeding year	27,777,405	29,568,556	27,777,405	29,568,556
Special assessments	14,812	13,184	14,812	13,184
Total assets	<u>\$ 28,052,334</u>	<u>\$ 58,679,361</u>	<u>\$ 56,823,572</u>	<u>\$ 29,908,123</u>
Liabilities:				
Due to other governments	<u>\$ 28,052,334</u>	<u>\$ 58,679,361</u>	<u>\$ 56,823,572</u>	<u>\$ 29,908,123</u>
TOWNSHIPS FUND				
Assets:				
Cash and pooled investments	\$ 4,300	\$ 457,651	\$ 456,948	\$ 5,003
Property tax receivable:				
Delinquent	1,404	1,482	1,404	1,482
Succeeding year	456,097	495,858	456,097	495,858
Total assets	<u>\$ 461,801</u>	<u>\$ 954,991</u>	<u>\$ 914,449</u>	<u>\$ 502,343</u>
Liabilities:				
Due to other governments	<u>\$ 461,801</u>	<u>\$ 954,991</u>	<u>\$ 914,449</u>	<u>\$ 502,343</u>

(continued)

DUBUQUE COUNTY **Schedule 3**
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES **(continued)**
AGENCY FUNDS
YEAR ENDED JUNE 30, 2008

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
AUTO LICENSE AND USE TAX FUND				
Assets:				
Cash and pooled investments	\$ 2,199,814	\$ 21,316,088	\$ 21,326,980	\$ 2,188,922
Due from other governments	79,106	-	79,106	-
Total assets	<u>\$ 2,278,920</u>	<u>\$ 21,316,088</u>	<u>\$ 21,406,086</u>	<u>\$ 2,188,922</u>
Liabilities:				
Due to other governments	<u>\$ 2,278,920</u>	<u>\$ 21,316,088</u>	<u>\$ 21,406,086</u>	<u>\$ 2,188,922</u>
BRUCellosIS AND TUBERCULOSIS ERADICATION FUND				
Assets:				
Cash and pooled investments	\$ 100	\$ 10,645	\$ 10,641	\$ 104
Property tax receivable:				
Delinquent	28	25	28	25
Succeeding year	10,615	11,448	10,615	11,448
Total assets	<u>\$ 10,743</u>	<u>\$ 22,118</u>	<u>\$ 21,284</u>	<u>\$ 11,577</u>
Liabilities:				
Due to other governments	<u>\$ 10,743</u>	<u>\$ 22,118</u>	<u>\$ 21,284</u>	<u>\$ 11,577</u>
JOINT DISASTER SERVICES FUND				
Assets:				
Cash and pooled investments	\$ 27,052	\$ 114,362	\$ 113,093	\$ 28,321
Accounts receivable	213	-	213	-
Total assets	<u>\$ 27,265</u>	<u>\$ 114,362</u>	<u>\$ 113,306</u>	<u>\$ 28,321</u>
Liabilities:				
Accounts payable	\$ 629	\$ 1,489	\$ 629	\$ 1,489
Salaries and benefits payable	2,098	2,506	2,098	2,506
Due to other governments	24,538	110,367	110,579	24,326
Total liabilities	<u>\$ 27,265</u>	<u>\$ 114,362</u>	<u>\$ 113,306</u>	<u>\$ 28,321</u>

(continued)

DUBUQUE COUNTY **Schedule 3**
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES **(continued)**
AGENCY FUNDS
YEAR ENDED JUNE 30, 2008

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
COUNTY HOSPITAL FUND				
Assets:				
Cash and pooled investments	\$ 66,930	\$ 825,405	\$ 797,681	\$ 94,654
Property tax receivable:				
Delinquent	1,798	1,893	1,798	1,893
Succeeding year	796,909	874,732	796,909	874,732
Total assets	<u>\$ 865,637</u>	<u>\$ 1,702,030</u>	<u>\$ 1,596,388</u>	<u>\$ 971,279</u>
Liabilities:				
Due to other governments	\$ 805,288	\$ 1,615,196	\$ 1,536,039	\$ 884,445
Trusts payable	60,349	86,834	60,349	86,834
Total liabilities	<u>\$ 865,637</u>	<u>\$ 1,702,030</u>	<u>\$ 1,596,388</u>	<u>\$ 971,279</u>
COUNTY LIBRARIES				
Assets:				
Cash and pooled investments	<u>\$ -</u>	<u>\$ 56,322</u>	<u>\$ 56,322</u>	<u>\$ -</u>
Liabilities:				
Due to other governments	<u>\$ -</u>	<u>\$ 56,322</u>	<u>\$ 56,322</u>	<u>\$ -</u>
TAX SALES				
Assets:				
Cash and pooled investments	\$ -	\$ 851,169	\$ 851,169	\$ -
Accounts receivable	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 851,169</u>	<u>\$ 851,169</u>	<u>\$ -</u>
Liabilities:				
Due to other governments	<u>\$ -</u>	<u>\$ 851,169</u>	<u>\$ 851,169</u>	<u>\$ -</u>

(continued)

DUBUQUE COUNTY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2008

Schedule 3
(continued)

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
TOTAL COMBINED FUNDS				
Assets:				
Cash and pooled investments	\$ 3,982,080	\$ 108,746,368	\$ 108,468,077	\$ 4,260,371
Receivables:				
Property tax:				
Delinquent	154,577	167,081	154,577	167,081
Succeeding year	76,282,360	83,338,014	76,282,360	83,338,014
Special assessments	14,812	13,184	14,812	13,184
Accounts	5,503	3,467	5,503	3,467
Due from other governments	79,106	-	79,106	-
Total assets	<u>\$ 80,518,438</u>	<u>\$ 192,268,114</u>	<u>\$ 185,004,435</u>	<u>\$ 87,782,117</u>
Liabilities:				
Accounts payable	\$ 16,171	\$ 19,884	\$ 16,171	\$ 19,884
Salaries and benefits payable	29,103	29,264	29,103	29,264
Due to other funds	-	951,949	951,949	-
Due to other governments	80,398,530	189,276,916	182,087,330	87,588,116
Trusts payable	74,634	1,985,023	1,914,804	144,853
Total liabilities	<u>\$ 80,518,438</u>	<u>\$ 192,263,036</u>	<u>\$ 184,999,357</u>	<u>\$ 87,782,117</u>

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

Schedule 4

	Modified Accrual Basis						
	2008	2007	2006	2005	2004	2003	2002
Revenues:							
Property and other							
County tax	\$ 25,406,202	\$ 24,190,478	\$ 23,020,154	\$ 21,831,098	\$ 20,266,271	\$ 19,144,204	\$ 18,164,309
Interest and penalty on property tax	177,902	192,133	80,611	156,422	150,455	135,401	143,687
Intergovernmental	19,187,628	16,933,453	16,539,239	15,709,496	15,688,918	13,947,328	15,188,180
Licenses and permits	60,989	81,279	95,459	75,408	75,352	74,905	72,665
Charges for service	3,169,249	3,523,109	3,356,019	3,709,352	3,091,200	2,532,583	3,017,775
Use of money and property	1,129,355	1,192,835	1,022,662	645,616	425,907	766,244	1,409,904
Miscellaneous	<u>328,877</u>	<u>315,320</u>	<u>288,477</u>	<u>320,706</u>	<u>295,860</u>	<u>349,517</u>	<u>251,377</u>
Total	<u>\$ 49,460,202</u>	<u>\$ 46,428,607</u>	<u>\$ 44,402,621</u>	<u>\$ 42,448,098</u>	<u>\$ 39,993,963</u>	<u>\$ 36,950,182</u>	<u>\$ 38,247,897</u>
Expenditures:							
Operating:							
Public safety and legal services	\$ 11,360,666	\$ 10,788,429	\$ 9,656,409	\$ 9,109,419	\$ 9,059,895	\$ 7,294,779	\$ 6,778,959
Physical health and social services	11,551,452	11,475,539	11,501,263	11,055,587	6,294,233	2,082,828	4,843,408
Mental health	8,996,144	8,740,684	7,695,818	8,132,532	12,127,062	12,674,349	13,194,622
County environment and education	2,762,417	2,807,662	2,183,929	2,080,390	2,201,639	1,962,072	1,944,581
Roads and transportation	6,675,885	5,063,529	5,965,514	5,331,620	5,978,774	6,320,443	4,938,493
Governmental services to residents	1,375,544	1,353,856	1,206,131	1,379,327	1,190,902	1,150,037	1,121,156
Administration	2,828,811	2,635,300	2,662,217	2,546,948	2,631,399	2,362,147	2,385,156
Non-program	172,268	100,032	14,038	11,315	65,714	5,763	15,898
Debt service	543,300	539,001	539,850	534,650	535,574	537,488	562,675
Capital projects	<u>1,916,989</u>	<u>4,223,880</u>	<u>4,883,263</u>	<u>1,599,550</u>	<u>7,326,820</u>	<u>6,374,823</u>	<u>3,403,216</u>
Total	<u>\$ 48,183,476</u>	<u>\$ 47,727,912</u>	<u>\$ 46,308,432</u>	<u>\$ 41,781,338</u>	<u>\$ 47,412,012</u>	<u>\$ 40,764,729</u>	<u>\$ 39,188,164</u>

**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 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, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 19, 2009. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Dubuque County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Dubuque County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies, including a deficiency we consider to be a material weakness.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Dubuque County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood a misstatement of Dubuque County's financial statements that is more than inconsequential will not be prevented or detected by Dubuque County's internal control. We consider the deficiencies in internal control described in Part II of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Dubuque County's internal control.

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Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we believe item II-A-08 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 the County's operations for the year ended June 30, 2008, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Dubuque County's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the County's responses, we did not audit Dubuque County's responses, and accordingly, we express no opinion on them.

We also noted certain additional matters that we reported to the management of Dubuque County in a separate letter dated March 19, 2009.

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
March 19, 2009



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 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, 2008. The 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 grant agreements applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the 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 the 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 the 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, 2008. However, the results of our auditing procedures disclosed an instance of non-compliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and is described as item III-A-08 in the accompanying Schedule of Findings and Questioned Costs.

Internal Control Over Compliance

The management of Dubuque County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the County's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in the County's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect non-compliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the County's ability to administer a federal program such that there is more than a remote likelihood non-compliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Cost as item III-A-08 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood material non-compliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control. We did not consider the deficiency described in the accompanying Schedule of Findings and Questioned Cost to be a material weakness.

Dubuque County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusion on the County's response, we did not audit Dubuque County's response, and accordingly, we express no opinion on it.

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 Bailly LLP". The signature is written in black ink and is positioned to the left of a vertical yellow line.

Dubuque, Iowa
March 19, 2009

DUBUQUE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Program Expenditures</u>
Indirect:			
Department of Agriculture:			
Iowa Department of Human Services:			
Human Services Administrative			
Reimbursements:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ <u>38,698</u>
Department of Justice:			
Iowa Department of Human Rights:			
Juvenile Accountability Block Grants	16.523	20-JD05-F606	8,703
Juvenile Accountability Block Grants	16.523	20-JD02-F03	<u>714</u>
			<u>9,417</u>
Juvenile Justice and Delinquency Prevention – Allocation to States	16.540	20-JD05-F606	841
Juvenile Justice and Delinquency Prevention – Allocation to States	16.540	20-JD02-F03	<u>9,369</u>
			<u>10,210</u>
Title V – Delinquency Prevention Program	16.548	20-JD05-F606	<u>21</u>
Public Safety Partnership and Community Policing Grants	16.710	07JAG/C06-A16	<u>19,315</u>
Enforcing Underage Drinking Laws Program	16.727	20-JD05-F606	3,218
Enforcing Underage Drinking Laws Program	16.727	20-JD02-F03	<u>7,596</u>
			<u>10,814</u>
Iowa Department of Justice:			
Violence Against Women Formula Grants	16.588	VW-08-24A	55,106
Violence Against Women Formula Grants	16.588	VW-08-24B	<u>519</u>
			<u>55,625</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	08JAG/C06-A16	<u>54,445</u>
Department of Transportation:			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	6-05-HBRR-38	<u>249,899</u>

(continued)

DUBUQUE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Program Expenditures</u>
Indirect: (continued)			
Department of Transportation: (continued)			
Governor's Traffic Safety Bureau:			
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	PAP 08-410, Task 21	\$ 15,660
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	PAP 07-410, Task 10	<u>2,931</u>
			<u>18,591</u>
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	PAP 07-163, Task 26	<u>2,860</u>
Department of Health and Human Services:			
Black Hawk County, Iowa:			
Public Health Emergency Preparedness	93.069	5888BT12	4,042
Public Health Emergency Preparedness	93.069	3107	<u>13,139</u>
			<u>17,181</u>
Iowa Department of Public Health:			
Childhood Lead Poisoning Prevention Projects – State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	5886LP05	<u>15,837</u>
Centers for Disease Control and Prevention – Investigations and Technical Assistance	93.283	5888NB11	13,397
Centers for Disease Control and Prevention – Investigations and Technical Assistance	93.283	5888 WW07	<u>11,465</u>
			<u>24,862</u>
Iowa Department of Human Services:			
Child Support Enforcement	93.563	BOC 07-013	<u>172,125</u>
			(continued)

DUBUQUE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

<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)			
Iowa Department of Human Services: (continued)			
Human Services Administrative			
Reimbursements:			
Temporary Assistance for Needy Families	93.558		\$ <u>42,119</u>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		<u>10,185</u>
Foster Care – Title IV-E	93.658		<u>24,495</u>
Adoption Assistance	93.659		<u>5,825</u>
State Children’s Insurance Program	93.767		<u>350</u>
Medical Assistance Program	93.778		<u>53,540</u>
Social Services Block Grant	93.667		<u>27,631</u>
Social Services Block Grant	93.667		<u>321,561</u>
			<u>349,192</u>
Iowa Department of Public Health:			
HIV Prevention Activities – Health Department Based	93.940	5887AP07	1,862
HIV Prevention Activities – Health Department Based	93.940	5888AP07	<u>2,487</u>
			<u>4,349</u>
Preventive Health and Health Services Block Grant	93.991	5888AP07	5,877
Preventive Health and Health Services Block Grant	93.991	5887AP07	<u>2,659</u>
			<u>8,536</u>
Department of Homeland Security:			
Iowa Department of Public Defense:			
Emergency Management Performance Grants	97.042		<u>39,000</u>
Total indirect			<u>\$ 1,237,491</u>

DUBUQUE COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

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 Block Grants	16.523	\$ 9,417
Juvenile Justice and Delinquency Prevention – Allocation to States	16.540	10,210
Title V – Delinquency Prevention Program	16.548	21
Public Safety Partnership and Community Policing Grants	16.710	7,315
Enforcing Underage Drinking Laws Program	16.727	10,814
Edward Byrne Memorial Justice Assistance Grant Program	16.738	20,619
Public Health Emergency Preparedness	93.069	9,037
Childhood Lead Poisoning Prevention Projects – State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	15,837
Centers for Disease Control and Prevention – Investigations and Technical Assistance	93.283	22,112
HIV Prevention Activities – Health Department Based	93.940	4,349
Preventive Health and Health Services Block Grant	93.991	8,536

DUBUQUE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2008

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

- (a) Unqualified opinions were issued on the financial statements.
- (b) Significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements, including a material weakness.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) A significant deficiency in internal control over a major program was disclosed by the audit but was not considered a material weakness.
- (e) An unqualified opinion was issued on compliance with requirements applicable to the major programs.
- (f) The audit disclosed an audit finding which is required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
 - CFDA Number 20.205 – Highway Planning and Construction
 - CFDA Number 93.563 – Child Support Enforcement
 - CFDA Number 93.667 – Social Services Block Grant
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Dubuque County did not qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

SIGNIFICANT DEFICIENCY/MATERIAL WEAKNESS

II-A-08 Preparation of Financial Statements

Criteria – A properly designed system of internal control over financial reporting calls for the preparation of an entity's financial statements and accompanying notes to the financial statements by internal personnel of the entity.

Condition – As auditors, we were requested to draft the financial statements and accompanying notes to the financial statements. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Cause – We recognize that with a limited number of office employees, preparation of the financial statements is difficult.

Effect – The effect of this condition is that the financial reporting is prepared by a party outside of the entity. The outside party does not have the constant contact with ongoing financial transactions that internal staff have.

DUBUQUE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2008

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

Recommendation – We recommend that County officials continue reviewing operating procedures in order to obtain the maximum internal control possible under the circumstances to enable staff to draft the financial statements internally.

Response – The County will continue to review operating procedures and segregate employee duties to the extent financially feasible to maximize internal control. There will be no change until it is fiscally responsible to add additional staff. Due to personnel changes, it is anticipated that the County will prepare subsequent financial statements and notes.

Conclusion – Response accepted.

SIGNIFICANT DEFICIENCIES

II-B-08 County Recorder Segregation of Duties

Criteria – Properly designed segregation of duties allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.

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

Cause – With a limited number of office employees, segregation of duties is difficult.

Effect – Since job functions were not properly segregated, misstatements may not have been prevented or detected on a timely basis in the normal course of operations.

Recommendation – County officials should review the operating procedures of the office to obtain the maximum internal control possible under the circumstances.

Response – Over the past few years, bar coding and cashiering software have been implemented. Receipting and posting functions are rotated so one person is not always doing the same thing. Since it is a small office, all employees are needed to receipt transactions.

Conclusion – Response accepted. We recommend the County continue to look for ways to strengthen controls.

II-C-08 County Sheriff Segregation of Duties

Criteria – Properly designed segregation of duties allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.

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

**DUBUQUE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2008**

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

Cause – With a limited number of office employees, segregation of duties is difficult.

Effect – Since job functions were not properly segregated, misstatements may not have been prevented or detected on a timely basis in the normal course of operations.

Recommendation – County officials should review the operating procedures of the office to obtain the maximum internal control possible under the circumstances.

Response – All of the Sheriff's Office transactions are verified by a second employee before any deposits are made to confirm the proper amounts are accounted for.

Conclusion – Response accepted. We recommend the County continue to look for ways to strengthen controls.

Part III: Findings and Questioned Costs for Federal Awards:

SIGNIFICANT DEFICIENCY/INSTANCE OF NON-COMPLIANCE

**CFDA Number 93.563: Child Support Enforcement
Pass-through Agency Number: BOC 07-013
Department of Health and Human Services
Passed Through the Iowa Department of Human Services**

III-A-08 Employee Insurance Benefits Reimbursements

Criteria – The County is only allowed to claim expenditures for reimbursement that they have actually incurred.

Condition – Internal controls are not in place to insure the proper amount of payroll related expenses being claimed for reimbursement were actually incurred by the County, especially in the area of employee insurance benefits.

Cause – Reimbursement requests for employee insurance benefits are computed once a year. The annual amount to be reimbursed is calculated by the personnel department based on monthly insurance cost and the employee's benefit elections. No comparison between the personnel department's calculation and the actual expenditures made during the year is made.

Effect – Errors made in the personnel department's original insurance benefit calculation or changes in employee benefit elections were not identified. The County received reimbursement for an individual based on family rates. However, the individual only received and the County only incurred cost for single coverage.

Recommendation – We recommend the employees insurance benefit calculation be reviewed periodically during the year by comparing the calculation to the actual expenditures incurred by the County.

DUBUQUE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2008

Part III: Findings and Questioned Costs for Federal Awards: (continued)

Response – An annual June meeting has already been scheduled to review the end of the year financial situation, as well as the upcoming year with Child Support Recovery. In addition, a December meeting was instituted this year to calculate budget items for the next year’s fiscal agenda. The Auditor’s Office will be contacted to periodically update the status of the four County workers in Child Support.

Conclusion – Response accepted.

Part IV: Other Findings Related to Required Statutory Reporting:

IV-A-08 Certified Budget - Disbursements during the year ended June 30, 2008, exceeded the amounts budgeted in the non-program function. Disbursements in certain departments exceeded the amounts appropriated.

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

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

Response – The County 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. Those responsible for budgetary departments are apprised of the necessity to not spend above their appropriated amount. Unfortunately, some budgetary departments are affected by more than one department head.

Conclusion – Response accepted.

IV-B-08 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.

IV-C-08 Travel Expense - No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

DUBUQUE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2008

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

IV-D-08 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 White Front Feed and Seed	Supplies	\$ 5,128
Sue Breitbach, information services employee, spouse owns Breitbach Feeds	Supplies	\$ 190

In accordance with Chapter 331.342(10) of the Code of Iowa, the transaction with Breitbach Feeds does not appear to represent a conflict of interest since the total transactions 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 331.342(4) of the Code of Iowa.

Response – White Front Feed and Seed has at times provided the County with calcium chloride and seed for vegetation in road side ditches. The calcium chloride is purchased through a 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.

Conclusion – Response accepted.

IV-E-08 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.

IV-F-08 Board Minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.

IV-G-08 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.

IV-H-08 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).

IV-I-08 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, 2008, for the County Extension Office did not exceed the amounts budgeted.

DUBUQUE COUNTY, IOWA

CORRECTIVE ACTION PLAN FOR FEDERAL AUDIT FINDINGS

YEAR ENDED JUNE 30, 2008

<u>Comment Number</u>	<u>Comment Title</u>	<u>Corrective Action Plan</u>	<u>Contact Person, Title, Phone Number</u>	<u>Anticipated Date of Completion</u>
III-A-08	Employee Insurance Benefits Reimbursements	The corrective action plan was documented in our response to the auditor's comment. See the Schedule of Findings and Questioned Costs.	Denise Donlan, County Auditor 563-589-4456	Not determined at this date.



CPAs & BUSINESS ADVISORS

To the Honorable Chairman and Members of
the Board of Supervisors
Dubuque County, Iowa
Dubuque, Iowa

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, for the year ended June 30, 2008, and have issued our report thereon dated March 19, 2009. Professional standards require that we provide you with the following information related to our audit.

Our Responsibilities under Auditing Standards Generally Accepted in the United States of America and OMB Circular A-133

As stated in our engagement letter dated May 5, 2008, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

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 assurance on the internal control over financial reporting. We also considered 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.

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 grants, 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. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Dubuque County's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on Dubuque County's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Dubuque County's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated May 5, 2008, and our meeting about planning matters on June 2, 2008.

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Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Dubuque County are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2008. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were management's estimate of depreciable lives and allowances for uncollectible property tax penalties and interest and sheriff accounts receivable. Depreciable lives are based on past history of life cycles of capital assets. The allowances for uncollectible receivables are based on the County's previous collection experience. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Material audit adjustments were recorded in the areas of accounts payable and accounts receivable. Uncorrected misstatements of the financial statements are summarized below. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Misstatements on government-wide statement of net assets	
Net understatement of capital assets (net of accumulated depreciation)	<u>\$ 546,000</u>

Note that this is a potential understatement based on projecting the errors found in sampling depreciation calculations and recorded infrastructure.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

To the Honorable Chairman and Members of
the Board of Supervisors
Dubuque County, Iowa
Page 3

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 19, 2009.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Comments

We have included additional comments regarding the financial statements and operations. These comments are not a result of in-depth study of any specific areas but are based on observations made during the course of our audit.

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

As always, we will be happy to discuss these or any other topics at your convenience. We would like to take this opportunity to express our appreciation to you and your staff for the fine cooperation that we received during the course of the audit. We look forward to many years of continued service to Dubuque County.

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

Dubuque, Iowa
March 19, 2009

DUBUQUE COUNTY, IOWA
YEAR ENDED JUNE 30, 2008
OTHER COMMENTS

Accounting Policies

The current accounting policies and procedures manual is old and needs to be updated. County employees have started this process by documenting their procedures. We recommend that this process continue and be completed soon to ensure that policies and procedures reflect current issues and situations in the County.

Credit Card Policy

During our audit, we noted credit card purchases with no documentation of public purpose and no detailed receipts. Currently, the County has no formal credit card policy. A policy should be implemented and require the documentation of public purpose and the submission of itemized receipts before any County disbursement is made.

Disaster Recovery Plan

The County currently does not have a written disaster recovery plan for its financial system. The County should develop a written disaster recovery plan to document what steps are available and should be taken if the financial/computer system were to fail or be destroyed.

Governmental Accounting Standards Board (GASB) Statements

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. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, issued June 2004, will be effective for the fiscal year ending June 30, 2009. This statement establishes standards for the measurement, recognition, and display of other postemployment benefit (OPEB) expense/expenditures and related liabilities (assets), note disclosures and, if applicable, required supplementary information in the financial reports of state and local governmental employers.

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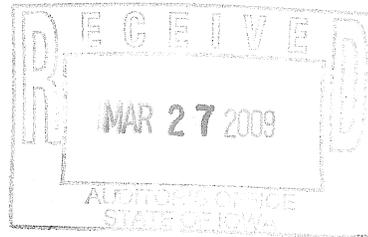
DUBUQUE COUNTY, IOWA
YEAR ENDED JUNE 30, 2008
OTHER COMMENTS

Governmental Accounting Standards Board (GASB) Statements (continued)

Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, issued June 2008, will be effective for the fiscal year ending June 30, 2010. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments.



CPAs & BUSINESS ADVISORS



To the Honorable Chairman and Members of
the Board of Supervisors
Dubuque County, Iowa
Dubuque, Iowa

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, for the year ended June 30, 2008, and have issued our report thereon dated March 19, 2009. Professional standards require that we provide you with the following information related to our audit.

Our Responsibilities under Auditing Standards Generally Accepted in the United States of America and OMB Circular A-133

As stated in our engagement letter dated May 5, 2008, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

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 assurance on the internal control over financial reporting. We also considered 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.

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 grants, 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. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Dubuque County's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on Dubuque County's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Dubuque County's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated May 5, 2008, and our meeting about planning matters on June 2, 2008.

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Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Dubuque County are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2008. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were management's estimate of depreciable lives and allowances for uncollectible property tax penalties and interest and sheriff accounts receivable. Depreciable lives are based on past history of life cycles of capital assets. The allowances for uncollectible receivables are based on the County's previous collection experience. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Material audit adjustments were recorded in the areas of accounts payable and accounts receivable. Uncorrected misstatements of the financial statements are summarized below. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Misstatements on government-wide statement of net assets	
Net understatement of capital assets (net of accumulated depreciation)	\$ <u>546,000</u>

Note that this is a potential understatement based on projecting the errors found in sampling depreciation calculations and recorded infrastructure.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 19, 2009.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Comments

We have included additional comments regarding the financial statements and operations. These comments are not a result of in-depth study of any specific areas but are based on observations made during the course of our audit.

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

As always, we will be happy to discuss these or any other topics at your convenience. We would like to take this opportunity to express our appreciation to you and your staff for the fine cooperation that we received during the course of the audit. We look forward to many years of continued service to Dubuque County.

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

Dubuque, Iowa
March 19, 2009

DUBUQUE COUNTY, IOWA

YEAR ENDED JUNE 30, 2008

OTHER COMMENTS

Accounting Policies

The current accounting policies and procedures manual is old and needs to be updated. County employees have started this process by documenting their procedures. We recommend that this process continue and be completed soon to ensure that policies and procedures reflect current issues and situations in the County.

Credit Card Policy

During our audit, we noted credit card purchases with no documentation of public purpose and no detailed receipts. Currently, the County has no formal credit card policy. A policy should be implemented and require the documentation of public purpose and the submission of itemized receipts before any County disbursement is made.

Disaster Recovery Plan

The County currently does not have a written disaster recovery plan for its financial system. The County should develop a written disaster recovery plan to document what steps are available and should be taken if the financial/computer system were to fail or be destroyed.

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