

Financial Statements  
June 30, 2009

# Dubuque County



# DUBUQUE COUNTY

## Table of Contents

---

	<u>Page</u>
<b>OFFICIALS</b>	1
<b>INDEPENDENT AUDITOR'S REPORT</b>	2-3
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	4-12
<b>BASIC FINANCIAL STATEMENTS</b>	<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	20-36
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary Comparison Schedule of Receipts, Disbursements, and Changes in Balances – Budget and Actual (Cash Basis) – All Governmental Funds	37
Budgetary Comparison Schedule – Budget to GAAP Reconciliation	38
Notes to Required Supplementary Information – Budgetary Reporting	39
Schedule of Funding Progress for the Retiree Health Plan	40
<b>OTHER SUPPLEMENTARY INFORMATION</b>	<u>Schedule</u>
Nonmajor Governmental Funds	
Combining Balance Sheet	1 41
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	2 42
Agency Funds	
Combining Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds	3 43-50
Schedule of Revenues by Source and Expenditures by Function – All Governmental Funds	4 51



# DUBUQUE COUNTY

## Table of Contents

---

	<u>Page</u>
<b>INFORMATION PROVIDED TO COMPLY WITH <i>GOVERNMENT</i></b>	
<b><i>AUDITING STANDARDS AND OMB CIRCULAR A-133</i></b>	
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>	52-53
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	54-55
Schedule of Expenditures of Federal Awards	56-57
Notes to the Schedule of Expenditures of Federal Awards	58
Schedule of Findings and Questioned Costs	59-63



Dubuque County



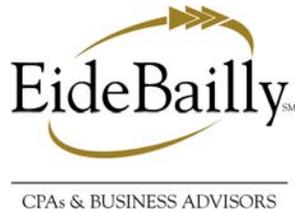
# DUBUQUE COUNTY

## OFFICIALS

---

<b>Name</b>	<b>Title</b>	<b>Term Expires</b>
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





## 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, 2009, 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, 2009, 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 April 22, 2010, 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 other required supplementary information, listed in the table of contents, are not required parts 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 seven years ended June 30, 2008, (which are not 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. To the right of the signature is a thin vertical yellow line.

Dubuque, Iowa  
April 22, 2010



## 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, 2009. 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 \$83,307,764 (*net assets*). Of this amount, \$2,545,541 (*unrestricted net assets*) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's net assets increased by \$1,590,127.
- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$14,876,832, an increase of \$119,898 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$4,697,445 or 14.6% of total general fund expenditures.
- Total long-term liabilities increased by \$57,054 (1.5%) 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 eighteen 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 thirteen 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 20-36 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 37-40 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 can be found on pages 41 and 42 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 \$83,307,764 at the close of the most recent fiscal year.

### Dubuque County, Iowa Net Assets of Governmental Activities

	June 30,	
	2009	2008
Current and other assets	\$ 44,844,786	\$ 42,603,348
Capital assets	71,229,730	70,358,760
Total assets	116,074,516	112,962,108
Long-term liabilities outstanding	3,742,607	3,685,553
Other liabilities	29,024,145	27,558,918
Total liabilities	32,766,752	31,244,471
Net assets:		
Invested in capital assets, net of related debt	70,289,730	68,978,760
Restricted	10,472,493	9,454,165
Unrestricted	2,545,541	3,284,712
Total net assets	\$ 83,307,764	\$ 81,717,637

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, decreased from \$3,284,712 at June 30, 2008 to \$2,545,541 at the end of this year, a decrease of 23%.



**Governmental activities.** Governmental activities increased the County's net assets by \$1,590,127. A condensed version of the Statement of Activities as of June 30, 2009, follows:

Dubuque County, Iowa  
Changes in Net Assets of Governmental Activities

	Year Ended June 30,	
	2009	2008
Program revenues:		
Fines, fees, and charges for service	\$ 11,562,609	\$ 10,824,722
Operating grants and contributions	8,453,254	6,983,830
Capital grants and contributions	132,161	695,044
General revenues:		
Property taxes	24,014,212	22,282,862
Penalty and interest on property tax	244,456	211,602
State tax credits	3,606,350	3,590,137
Local option sales tax	3,029,972	3,176,934
Unrestricted investment earnings	555,122	961,121
Miscellaneous	1,457,277	1,107,105
Total revenues	53,055,413	49,833,357
Program expenses:		
Public safety and legal services	12,270,965	11,803,297
Physical health and social services	12,407,380	11,629,442
Mental health	8,463,823	8,991,700
County environment and education	2,795,001	2,910,421
Roads and transportation	9,013,057	9,565,513
Governmental services to residents	1,537,497	1,398,190
Administration	4,893,763	2,930,334
Non-program	20,496	172,269
Interest on long-term debt	63,304	75,850
Total expenses	51,465,286	49,477,016
Increase in net assets	1,590,127	356,341
Beginning net assets	81,717,637	81,361,296
Ending net assets	\$ 83,307,764	\$ 81,717,637

-- Taxes increased by \$1,731,350 or 7.8%, during the year. This increase represents a taxable valuation growth of 7.9%, no change in the general fund, MH/DD and rural fund levies 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 \$14,876,832, an increase of \$119,898 in comparison with the prior year. The *unreserved fund balance* of \$12,881,848, which is available for spending at the County's discretion, increased \$431,421 with the reserve for inventories decreasing \$19,213. The *designated* fund balance of \$621,055 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 \$4,147,445, while the total fund balance reached \$5,233,401. 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 undesignated fund balance represents 13% of total general fund expenditures, while total fund balance represents 16% of that same amount.

The fund balance of the County's general fund decreased \$497,281 during the current fiscal year. Key factors in this increase are as follows:

- Revenues increased \$2,291,224, due to increases in revenue categories, particularly taxes and intergovernmental revenues.
- Expenses increased \$3,110,012, primarily due to across the board wage and salary increases.

The rural services fund has a total fund balance of \$3,605, which is an increase of \$770 from the prior year. Key factors in this increase are as follows:

- Variance in taxes raised and transfers to Secondary Road, Library and Zoning funds.

The secondary roads fund has a total fund balance of \$257,399, which is a decrease of \$630,554 from the prior year. Key factors in this decrease are as follows:

- Fund balance was spent in lieu of increase in rural fund levy.



The mental health fund has a total fund balance of \$1,932,329, which is an increase of \$1,233,959 from the prior year. Key factors in this decrease are as follows:

- Revenues increased \$1,242,407, while expenditures decreased \$528,206.

The local option tax fund has a total fund balance of \$5,236,651, which is an decrease of \$226,171 from the prior year. A key factor in this increase was:

- Timing and increase in road construction projects.

### **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 four times.

The first amendment, on November 3, 2008, increased disbursements by \$4,876,353. This amendment revised disbursements to reflect monies budgeted in the previous fiscal year which were not expended until the current fiscal year. \$4 million was due to the timing of road construction projects.

The second amendment, on December 1, 2008, increased revenues and expenses by \$5,207,864 for CDBG Jumpstart Small Business and Disaster Housing grants. An additional \$59,500 in expense was included for new equipment at the Secondary Road department.

The third amendment, on March 9, 2009, increased revenues by \$7,417,610 and disbursements by \$4,117,453. This reflects changes made by the Board of Supervisors during departmental worksessions for preparation of the FY10 budget. The majority of the revenue and expenditure increase was anticipated for conservation projects (\$5.4-million) from FEMA due to flooding in the spring of 2008.

The fourth amendment, on May 18, 2009, increased receipts by \$150,806 and disbursements by \$135,890. Revenue increases were for additional grant monies and insurance reimbursement. Expenditure increases included unanticipated expenses and expenses related to additional grants and insurance reimbursement received.

The net increase in revenues of \$13,164,893 resulted in an amended total of \$62,034,968. The net increase in disbursements of \$14,397,060 resulted in an amended total of \$66,805,940.

Actual cash disbursements for the year totaled \$52,195,855 or \$14,610,085 less than the final amended budget. The largest factor contributing to the difference was capital projects which were approximately \$2.3 million less than budget due to seasonal timing of road construction projects in the local option tax fund, and delays in FEMA projects of \$6.1 million and the CDBG grant projects of \$4.3 million.



## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of FY09, Dubuque County had \$71,229,730 invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This amount represents a net increase (including additions and deletions) of \$870,970, or 1.2% over last year.

#### Capital Assets of Governmental Activities at Year-End

	June 30,	
	2009	2008
Land	\$ 3,495,142	\$ 3,495,142
Buildings and improvements	13,187,876	13,315,412
Machinery and equipment	4,497,245	4,812,739
Infrastructure	45,306,106	48,207,491
Construction in progress	4,743,361	527,976
Total	<u>\$ 71,229,730</u>	<u>\$ 70,358,760</u>

The County had depreciation expense of \$4,332,277 for the year ended June 30, 2009, and total accumulated depreciation as of June 30, 2009 of \$52,725,737.

The County's fiscal year 2009 capital budget included approximately \$5.7 million for capital projects, the majority of 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 \$3,742,607 compared to \$3,685,553 last year, an increase of \$56,754 (1.5%), as detailed below:

#### Long-term Liabilities of Governmental Activities at Year-End

	June 30,	
	2009	2008
General obligation bonds	\$ 940,000	\$ 1,380,000
Rural economic development loan	624,144	660,285
Compensated absences	2,037,664	1,645,268
Net OPEB liability	140,799	-
Total	<u>\$ 3,742,607</u>	<u>\$ 3,685,553</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 6.0%, up 2% from the previous year and comparable with the State of Iowa rate of 6.2% and the 9.5% national rate. Currently, there are 54,500 jobs in Dubuque County, a decrease of 1,800 from the previous year.

Taxes levied for fiscal year 2010 will increase by \$1.2538 million, or 5.2% from the fiscal year 2009 budget. This increase represents a taxable valuation growth of 4.01% and no increase in the County-wide levy and a 15 cent increase in the rural levy.

The 2010 County-wide levy rate is \$6.42 per thousand dollars of taxable value. Net property tax revenue represents 45% of total revenues, a decrease from 46% in 2009. Rural residents will pay \$9.94 per thousand dollars of taxable value, including the rural service levy of \$3.52.

## **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, 2009**

**Exhibit A**

	Primary Government	Component Unit
	Governmental Activities	Drug Task Force
<b>ASSETS</b>		
Cash and pooled investments	\$ 14,885,251	\$ 1,278,184
Receivables:		
Property tax:		
Delinquent	60,627	-
Succeeding year	25,231,451	-
Interest and penalty on property tax	38,300	-
Accounts	145,410	-
Accrued interest	12,621	-
Due from other governments	2,619,210	432,967
Prepaid expenses	326,804	-
Inventories	559,249	-
Notes receivable	965,863	-
Capital assets:		
Land and construction in progress, not being depreciated	8,238,503	-
Other capital assets (net of accumulated depreciation)	62,991,227	4,335
Total assets	<u>116,074,516</u>	<u>1,715,486</u>
<b>LIABILITIES</b>		
Accounts payable	1,474,606	-
Accrued interest payable	5,997	-
Salaries and benefits payable	951,510	-
Due to other governments	833,181	-
Unearned revenue	25,758,851	-
Long-term liabilities:		
Portion due or payable within one year:		
Notes payable	36,206	-
Bonds payable	460,000	-
Compensated absences	1,367,642	-
Portion due or payable after one year:		
Notes payable	587,938	-
Bonds payable	480,000	-
Compensated absences	670,022	-
Net OPEB liability	140,799	-
Total liabilities	<u>32,766,752</u>	<u>-</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	70,289,730	4,335
Restricted for:		
Supplemental levy purposes	462,820	-
Mental health purposes	1,932,826	-
Secondary roads purposes	875,429	-
Debt service	1,055	-
Other purposes	7,200,363	1,689,223
Unrestricted	2,545,541	21,928
Total net assets	<u>\$ 83,307,764</u>	<u>\$ 1,715,486</u>

See notes to financial statements.

**DUBUQUE COUNTY**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2009**

<b>Functions/Programs:</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Fees, Fines and Charges for Service</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary government:</b>				
Governmental activities:				
Public safety and legal services	\$ 12,270,965	\$ 1,779,154	\$ 455,707	\$ -
Physical health and social services	12,407,380	7,606,889	772,339	-
Mental health	8,463,823	-	1,328,876	-
County environment and education	2,795,001	437,677	491,943	132,161
Roads and transportation	9,013,057	20,915	4,053,337	-
Governmental services to residents	1,537,497	1,659,704	-	-
Administration	4,893,763	58,270	1,351,052	-
Non-program	20,496	-	-	-
Interest on long-term debt	63,304	-	-	-
Total primary government	<u>\$ 51,465,286</u>	<u>\$ 11,562,609</u>	<u>\$ 8,453,254</u>	<u>\$ 132,161</u>
<b>Component unit:</b>				
Drug Task Force	<u>\$ 43,951</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.

<u>Net (Expense) Revenue and Changes in Net Assets</u>	
<u>Primary Government</u>	<u>Component Unit</u>
<u>Governmental Activities</u>	<u>Drug Task Force</u>
\$ (10,036,104)	
(4,028,152)	
(7,134,947)	
(1,733,220)	
(4,938,805)	
122,207	
(3,484,441)	
(20,496)	
(63,304)	
<u>(31,317,262)</u>	
	<u>\$ (43,951)</u>
23,528,537	-
485,675	-
244,456	-
3,606,350	-
3,029,972	-
555,122	6,246
<u>1,457,277</u>	<u>1,717,898</u>
<u>32,907,389</u>	<u>1,724,144</u>
1,590,127	1,680,193
<u>81,717,637</u>	<u>35,293</u>
<u>\$ 83,307,764</u>	<u>\$ 1,715,486</u>

**DUBUQUE COUNTY**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2009**

	Special		
	General	Rural Services	Secondary Roads
Assets			
Cash and pooled investments	\$ 5,685,732	\$ 3,270	\$ 96,917
Receivables:			
Property tax:			
Delinquent	38,339	9,806	-
Succeeding year	16,740,679	3,349,077	-
Interest and penalty on property tax	38,300	-	-
Accounts	96,895	-	46,673
Accrued interest	12,621	-	-
Due from other governments	1,149,402	-	875,292
Inventories	69,064	-	490,185
Prepaid expenses	326,804	-	-
Notes receivable	4,072	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 24,161,908</u>	<u>\$ 3,362,153</u>	<u>\$ 1,509,067</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 477,379	\$ -	\$ 505,326
Salaries and benefits payable	822,481	-	98,987
Due to other governments	76,129	-	4,172
Deferred revenue:			
Succeeding year property tax	16,740,679	3,349,077	-
Other	811,839	9,471	643,183
Total liabilities	<u>18,928,507</u>	<u>3,358,548</u>	<u>1,251,668</u>
Fund balances:			
Reserved for:			
Inventories	69,064	-	490,185
Supplemental levy purposes	462,820	-	-
Notes receivable	4,072	-	-
Debt service	-	-	-
Unreserved:			
Designated	550,000	-	-
Undesignated, reported in:			
General fund	4,147,445	-	-
Special revenue funds	-	3,605	(232,786)
	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>5,233,401</u>	<u>3,605</u>	<u>257,399</u>
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balances	<u>\$ 24,161,908</u>	<u>\$ 3,362,153</u>	<u>\$ 1,509,067</u>

See notes to financial statements.

<u>Revenue</u>			
<u>Mental Health</u>	<u>Local Option Tax</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,940,664	\$ 4,837,883	\$ 1,320,785	\$ 14,885,251
11,353	-	1,129	60,627
4,649,084	-	492,611	25,231,451
-	-	-	38,300
-	-	1,842	145,410
-	-	-	12,621
64,744	527,134	2,638	2,619,210
-	-	-	559,249
-	-	-	326,804
-	45,378	916,413	965,863
<u>\$ 7,665,845</u>	<u>\$ 5,410,395</u>	<u>\$ 2,735,418</u>	<u>\$ 44,844,786</u>
\$ 312,767	\$ 173,744	\$ 5,393	\$ 1,474,609
7,206	-	22,836	951,510
752,854	-	26	833,181
4,649,084	-	492,611	25,231,451
11,605	-	1,105	1,477,203
<u>5,733,516</u>	<u>173,744</u>	<u>521,971</u>	<u>29,967,954</u>
-	-	-	559,249
-	-	-	462,820
-	45,378	916,413	965,863
-	-	7,052	7,052
-	-	71,055	621,055
-	-	-	4,147,445
<u>1,932,329</u>	<u>5,191,273</u>	<u>1,218,927</u>	<u>8,113,348</u>
<u>1,932,329</u>	<u>5,236,651</u>	<u>2,213,447</u>	<u>14,876,832</u>
<u>\$ 7,665,845</u>	<u>\$ 5,410,395</u>	<u>\$ 2,735,418</u>	<u>\$ 44,844,786</u>



**DUBUQUE COUNTY**  
**RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2009**

**Exhibit D**

Total governmental fund balances \$ 14,876,832

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 \$340,813 accumulated depreciation	\$ 4,157,665	
Construction in progress	4,743,361	
Infrastructure, net of \$33,586,638 accumulated depreciation	45,306,106	
Buildings, net of \$8,665,173 accumulated depreciation	12,525,353	
Equipment, net of \$10,133,113 accumulated depreciation	<u>4,497,245</u>	
Total capital assets		71,229,730

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. 949,806

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, 2009, are:

Accrued interest on bonds	(5,997)	
Notes payable	(624,144)	
Bonds payable	(940,000)	
Compensated absences	(2,037,664)	
Net OPEB liability	<u>(140,799)</u>	
Total long-term liabilities		<u>(3,748,604)</u>

Net assets of governmental activities \$ 83,307,764

**DUBUQUE COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2009**

	Special		
	General	Rural Services	Secondary Roads
<b>Revenues:</b>			
Property and other County tax	\$ 16,025,339	\$ 2,950,596	\$ -
Interest and penalty on property tax	204,352	-	-
Intergovernmental	11,001,505	-	3,405,648
Licenses and permits	49,613	104,608	6,700
Charges for service	3,807,725	-	9,082
Use of money and property	548,908	-	37,068
Miscellaneous	147,479	-	79,598
Total revenues	<u>31,784,921</u>	<u>3,055,204</u>	<u>3,538,096</u>
<b>Expenditures:</b>			
Operating:			
Public safety and legal services	11,954,960	-	-
Physical health and social services	12,154,247	-	-
Mental health	-	-	-
County environment and education	2,110,813	-	-
Roads and transportation	5,000	-	6,578,797
Governmental services to residents	1,497,155	-	-
Administration	4,559,159	-	-
Non-program	868	-	-
Debt service	-	-	-
Capital projects	-	-	-
Total expenditures	<u>32,282,202</u>	<u>-</u>	<u>6,578,797</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(497,281)</u>	<u>3,055,204</u>	<u>(3,040,701)</u>
<b>Other financing sources (uses):</b>			
Transfers in (out)	<u>-</u>	<u>(3,054,434)</u>	<u>2,410,147</u>
Net change in fund balances	(497,281)	770	(630,554)
Fund balances beginning of year	<u>5,730,682</u>	<u>2,835</u>	<u>887,953</u>
Fund balances end of year	<u>\$ 5,233,401</u>	<u>\$ 3,605</u>	<u>\$ 257,399</u>

See notes to financial statements.

Revenue			
Mental Health	Local Option Tax	Nonmajor Governmental Funds	Total Governmental Funds
\$ 4,548,169	\$ 3,029,972	\$ 686,299	\$ 27,240,375
-	-	-	204,352
5,118,687	128,913	157,803	19,812,556
-	-	17,125	178,046
-	-	105,364	3,922,171
-	9,040	38,292	633,308
<u>35,041</u>	<u>-</u>	<u>147,779</u>	<u>409,897</u>
<u>9,701,897</u>	<u>3,167,925</u>	<u>1,152,662</u>	<u>52,400,705</u>
-	-	10,202	11,965,162
-	-	-	12,154,247
8,467,938	-	-	8,467,938
-	-	964,187	3,075,000
-	-	-	6,583,797
-	-	22,707	1,519,862
-	-	-	4,559,159
-	-	19,628	20,496
-	-	541,050	541,050
-	3,394,096	-	3,394,096
<u>8,467,938</u>	<u>3,394,096</u>	<u>1,557,774</u>	<u>52,280,807</u>
<u>1,233,959</u>	<u>(226,171)</u>	<u>(405,112)</u>	<u>119,898</u>
-	-	644,287	-
1,233,959	(226,171)	239,175	119,898
<u>698,370</u>	<u>5,462,822</u>	<u>1,974,272</u>	<u>14,756,934</u>
<u>\$ 1,932,329</u>	<u>\$ 5,236,651</u>	<u>\$ 2,213,447</u>	<u>\$ 14,876,832</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, 2009**

**Exhibit F**

---

Net change in fund balances - Total governmental funds \$ 119,898

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

Governmental funds report capital outlays as expenditures. However,  
in the statement of activities the cost of those assets is allocated  
over their estimated useful lives and reported as depreciation  
expense. This is the amount by which capital outlay (\$5,203,247)  
exceeded depreciation (\$4,332,277). 870,970

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

Repayments 476,141

Revenues in the statement of activities that do not provide current  
financial resources are not reported as revenues in the funds. 654,708

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

Change in accrued compensated absences (392,396)  
Change in OPEB liability (140,799)  
Change in accrued interest on debt 1,605

Change in net assets of governmental activities \$ 1,590,127



**DUBUQUE COUNTY**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**JUNE 30, 2009**

---

**Exhibit G**

**ASSETS**

Cash and pooled investments:	
County Treasurer	\$ 4,419,263
Other County officials	281,131
Receivables:	
Property tax:	
Delinquent	198,607
Succeeding year	80,033,256
Accounts	2,643
Due from other governments	<u>21,838</u>
 Total assets	 <u>84,956,738</u>

**LIABILITIES**

Accounts payable	17,205
Salaries and benefits payable	33,429
Due to other governments	84,769,383
Trusts payable	<u>136,721</u>
 Total liabilities	 <u>84,956,738</u>

**NET ASSETS** \$ -



**DUBUQUE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

---

**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, 2009**

---

*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, 2009**

---

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, 2009**

---

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, 2007, assessed property valuations; is for the tax accrual period July 1, 2008, through June 30, 2009, and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March, 2008.

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, 2009**

---

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, 2009, 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, 2009**

---

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, as well as unspent grant proceeds.

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, 2009. 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, 2009, disbursements did not exceed the amounts budgeted for any function. However, disbursements in certain departments exceeded the amounts appropriated.

**NOTE 2 – CASH AND POOLED INVESTMENTS**

The County's deposits in banks at June 30, 2009, 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, 2009.



**DUBUQUE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

---

*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, 2009, is as follows:

	Transfer to:		
	Secondary Roads	Nonmajor Funds	Total
Transfer from:			
Rural Services	\$ 2,410,147	\$ 644,287	\$ 3,054,434

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, 2009**

---

**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, 2009, was \$185,553.

The County has guaranteed indebtedness through the Rural Economic Development Intermediary Relending Program with four loans to businesses located in Dubuque County, totaling \$730,860 at June 30, 2009. 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, 2009, was \$45,378.

The County has made a one time interest-free loan to the Worthington Community Fire Department for equipment. This amount is to be repaid to the County in annual installments. The balance of this note receivable at June 30, 2009, was \$4,072.

**NOTE 5 – CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2009, was as follows:

**Primary government**

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 3,495,142	\$ -	\$ -	\$ 3,495,142
Construction in progress	<u>527,976</u>	<u>4,416,686</u>	<u>201,301</u>	<u>4,743,361</u>
Total capital assets, not being depreciated	<u>4,023,118</u>	<u>4,416,686</u>	<u>201,301</u>	<u>8,238,503</u>
Capital assets, being depreciated:				
Buildings	21,030,548	159,978	-	21,190,526
Improvements other than buildings	785,432	217,904	-	1,003,336
Machinery and equipment	14,053,260	755,771	178,673	14,630,358
Infrastructure	<u>78,892,744</u>	<u>-</u>	<u>-</u>	<u>78,892,744</u>
Total capital assets being depreciated	<u>114,761,984</u>	<u>1,133,653</u>	<u>178,673</u>	<u>115,716,964</u>



**DUBUQUE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Less accumulated depreciation for:				
Buildings	\$ 8,225,723	\$ 439,450	\$ -	\$ 8,665,173
Improvements other than buildings	274,845	65,968	-	340,813
Machinery and equipment	9,240,521	925,474	32,882	10,133,113
Infrastructure	<u>30,685,253</u>	<u>2,901,385</u>	<u>-</u>	<u>33,586,638</u>
Total accumulated depreciation	<u>48,426,342</u>	<u>4,332,277</u>	<u>32,882</u>	<u>52,725,737</u>
Total capital assets, being depreciated, net	<u>66,335,642</u>	<u>(3,198,624)</u>	<u>145,791</u>	<u>62,991,227</u>
Governmental activities capital assets, net	<u>\$70,358,760</u>	<u>\$ 1,218,062</u>	<u>\$ 347,092</u>	<u>\$71,229,730</u>

Depreciation expense was charged to the following functions:

**Governmental activities:**

Public safety and legal services	\$ 477,759
Physical health and social services	105,953
County environment and education	196,947
Roads and transportation	3,272,559
Governmental services to residents	77,898
Administration	<u>201,161</u>
Total depreciation expense - governmental activities	<u>\$ 4,332,277</u>

**Discretely Presented Component Unit**

Capital assets activity for the Drug Task Force for the year ended June 30, 2009, was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Capital assets, being depreciated:				
Machinery and equipment	\$ 10,700	\$ 5,308	\$ -	\$ 16,008
Less accumulated depreciation for:				
Machinery and equipment	<u>10,700</u>	<u>973</u>	<u>-</u>	<u>11,673</u>
Drug Task Force capital assets, net	<u>\$ -</u>	<u>\$ 4,335</u>	<u>\$ -</u>	<u>\$ 4,335</u>



**DUBUQUE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**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>\$ 76,129</u>
Special Revenue:		
Secondary Roads	Services	4,172
Mental Health	Services	752,854
Library	Services	<u>26</u>
		<u>757,052</u>
Total for governmental funds		<u>\$ 833,181</u>
Agency:		
County Recorder	Collections	\$ 83,909
County Recorder's Electronic Transaction Fee		2,638
County Sheriff		93,385
E911		344,445
Drainage District		710
Agricultural Extension Education		113,877
County Assessor		800,848
City Assessor		865,528
Schools		51,932,340
Area Schools		3,411,418
Corporations		23,216,210
Townships		533,553
Auto License and Use Tax		2,390,069
Brucellosis and Tuberculosis Eradication		10,366
Joint Disaster Services		61,309
County Hospital		<u>908,778</u>
Total for agency funds		<u>\$ 84,769,383</u>



**DUBUQUE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

---

**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>	
2010	\$ 264,388
2011	<u>96,470</u>
	<u>\$ 360,858</u>

Payments under these leases for the year ended June 30, 2009, totaled \$ 212,264.

**NOTE 8 – CHANGES IN LONG-TERM LIABILITIES**

A summary of changes in long-term liabilities for the year ended June 30, 2009, is as follows:

	<u>General Obligation Bonds</u>	<u>Rural Economic Development Loan</u>	<u>Compensated Absences</u>	<u>Net OPEB Liability</u>	<u>Total</u>
Balance beginning of year	\$ 1,380,000	\$ 660,285	\$ 1,645,268	\$ -	\$ 3,685,553
Increases	-	-	396,511	140,799	537,310
Decreases	<u>(440,000)</u>	<u>(36,141)</u>	<u>(4,115)</u>	-	<u>(480,256)</u>
Balance end of year	<u>\$ 940,000</u>	<u>\$ 624,144</u>	<u>\$ 2,037,664</u>	<u>\$ 140,799</u>	<u>\$ 3,742,607</u>
Due within one year	<u>\$ 460,000</u>	<u>\$ 36,206</u>	<u>\$ 1,367,642</u>	<u>\$ -</u>	<u>\$ 1,863,848</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% – 4.0%.



**DUBUQUE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

*Bonds Payable*

A summary of the County's June 30, 2009, indebtedness is as follows:

Year Ending June 30,	General Obligation Bonds			Rural Economic Development Loan		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
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	-	-	-	1.000%	37,676	4,774
2015-2019	-	-	-	1.000%	194,106	18,144
2020-2024	-	-	-	1.000%	204,006	8,244
2025	-	-	-	1.000%	41,346	416
		<u>\$ 940,000</u>	<u>\$ 60,350</u>		<u>\$ 624,144</u>	<u>\$ 54,368</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 4.10% of their annual covered salary and the County is required to contribute 6.35% 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, 2009, 2008, and 2007, were \$1,149,304, \$1,060,104, and \$996,481, respectively, equal to the required contributions for each year.



**DUBUQUE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

---

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

Dubuque County implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits other Than Pensions prospectively during the year ended June 30, 2009.

Plan Description. The County operates a single-employer retiree benefit plan which provides medical/prescription drug benefits for retirees and their spouses. There are 479 active and 10 retired members in the plan. Participants must be age 55 or older at retirement. The plan does not issue a stand-alone financial report.

The medical/prescription drug coverage, which is a fully-insured medical plan, is administered by Wellmark BCBS, Medical Associates HMO and United Healthcare. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

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

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

The following table shows the components of the County's annual OPEB cost for the year ended June 30, 2009, the amount actually contributed to the plan and changes in the County's net OPEB obligation:

Annual required contribution	\$ 183,352
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	<u>183,352</u>
Contributions made	<u>(42,553)</u>
Increase in net OPEB obligation	140,799
Net OPEB obligation beginning of year	-
Net OPEB obligation end of year	<u><u>\$ 140,799</u></u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2009.

For the year ended June 30, 2009, the County contributed \$42,553 to the medical plan. Plan members eligible for benefits contributed \$99,434 or 100% of the premium costs.



**DUBUQUE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

---

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2009 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	\$ 183,352	23.20%	\$ 140,799

Funded Status and Funding Progress. As of July 1, 2008, the most recent actuarial valuation date for the period July 1, 2008 through June 30, 2009, the actuarial accrued liability was \$1,703,751, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,703,751. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$19,223,018 and the ratio of the UAAL to covered payroll was 8.9%. As of June 30, 2009, there were no trust fund assets.

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

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

As of the July 1, 2008 actuarial valuation date, the projected unit credit with linear proration to decrement method was used. The actuarial assumptions include a 4% discount rate based on the County's funding policy. The projected annual medical trend rate is 10%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 0.5% each year until reaching the 5% ultimate trend rate.

Mortality rates are from the RP-2000 Combined Mortality Table, applied on a gender-specific basis.

Projected claim costs of the three available medical plans range from \$489.24 to \$524.43 per month for retirees less than age 65. The salary increase rate was assumed to be 3% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.



**DUBUQUE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

---

**NOTE 11 – RISK MANAGEMENT**

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

Dubuque County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 577 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, 2009, were \$365,819.

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. For members requiring specific coverage from \$3,000,000 to \$12,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$150,000 each occurrence, 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 such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2009, no liability has been recorded in the County's financial statements. As of June 30, 2009, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.



**DUBUQUE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

---

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 12 – CONDUIT DEBT OBLIGATIONS**

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

At June 30, 2009, there were eight series of Industrial Revenue Bonds outstanding. The aggregate principal amount payable for the two series issued after July 1, 1997, was \$10,117,398. The aggregate principal amount payable for the six series issued prior to July 1, 1997, could not be determined; however, their original issue amounts totaled approximately \$17.64 million.

**NOTE 13 – CONSTRUCTION COMMITMENTS**

The County has entered into contracts totaling \$12,676,536 for road construction. As of June 30, 2009, costs of \$7,914,273 on the project have been incurred. The balance of \$4,762,263 remaining on the contracts at June 30, 2009, will be paid as work on the project progresses.

The County has also entered into a contract totaling \$72,067 for conservation construction. As of June 30, 2009, no costs on the project have been incurred. The balance of \$72,067 remaining on the contract at June 30, 2009, will be paid as work on the project progresses.



**DUBUQUE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

---

**NOTE 14 – DESIGNATION OF FUND BALANCES**

Construction/remodeling projects	\$ 200,000
Land and other capital purchases	<u>421,055</u>
	<u>\$ 621,055</u>

**NOTE 15 – NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STANDARDS**

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

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. 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.

Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, issued February 2009, will be effective for the fiscal year ending June 30, 2011. This Statement establishes new standards for fund balance classifications based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

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, 2009**

	Actual	Budgeted Amounts	
		Original	Final
<b>Receipts:</b>			
Property and other County tax	\$ 27,222,024	\$ 27,202,706	\$ 27,373,526
Interest and penalty on property tax	204,103	169,000	183,000
Intergovernmental	20,533,088	16,961,880	29,872,091
Licenses and permits	69,983	68,850	53,500
Charges for service	3,493,547	3,282,697	3,294,948
Use of money and property	920,287	959,934	825,308
Miscellaneous	354,018	225,008	432,595
Total receipts	<u>52,797,050</u>	<u>48,870,075</u>	<u>62,034,968</u>
<b>Disbursements:</b>			
Public safety and legal services	11,905,922	12,504,566	12,624,277
Physical health and social services	12,130,958	12,729,133	12,292,026
Mental health	8,962,315	9,493,868	9,735,665
County environment and education	3,145,170	3,236,893	9,307,730
Roads and transportation	6,367,545	6,247,576	6,414,876
Governmental services to residents	1,486,392	1,407,848	1,509,311
Administration	4,240,266	3,071,746	8,555,287
Non-program	17,764	118,650	119,225
Debt service	498,600	498,600	498,600
Capital projects	3,440,923	3,100,000	5,748,943
Total disbursements	<u>52,195,855</u>	<u>52,408,880</u>	<u>66,805,940</u>
Excess (deficiency) of receipts over (under) disbursements	601,195	(3,538,805)	(4,770,972)
Balance beginning of year	<u>13,994,935</u>	<u>13,994,935</u>	<u>13,994,935</u>
Balance end of year	<u>\$ 14,596,130</u>	<u>\$ 10,456,130</u>	<u>\$ 9,223,963</u>

---

Variance - Over (Under) Budget	Actual as a % of Amended Budget
\$ (151,502)	99
21,103	112
(9,339,003)	69
16,483	131
198,599	106
94,979	112
<u>(78,577)</u>	<u>82</u>
<u>(9,237,918)</u>	<u>85</u>

(718,355)	94
(161,068)	99
(773,350)	92
(6,162,560)	34
(47,331)	99
(22,919)	98
(4,315,021)	50
(101,461)	15
-	100
<u>(2,308,020)</u>	<u>60</u>
<u>(14,610,085)</u>	<u>78</u>

5,372,167

-

\$ 5,372,167



**DUBUQUE COUNTY**  
**BUDGETARY COMPARISON SCHEDULE – BUDGET TO GAAP RECONCILIATION**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2009**

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 52,797,050	\$ (396,345)	\$ 52,400,705
Expenditures	<u>52,195,855</u>	<u>84,952</u>	<u>52,280,807</u>
Net	601,195	(481,297)	119,898
Beginning fund balances	<u>13,994,935</u>	<u>761,999</u>	<u>14,756,934</u>
Ending fund balances	<u>\$ 14,596,130</u>	<u>\$ 280,702</u>	<u>\$ 14,876,832</u>



**DUBUQUE COUNTY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –**  
**BUDGETARY REPORTING**  
**JUNE 30, 2009**

---

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, four budget amendments increased budgeted disbursements by \$14,397,060. 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, 2009, disbursements did not exceed the amounts budgeted for any function. However, disbursements in certain departments exceeded the amounts appropriated.



**DUBUQUE COUNTY**  
**SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN**  
**JUNE 30, 2009**

---

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a percentage of Covered Payroll ( (b-a) / c )
July 1, 2008	\$0	\$1,703,751	\$1,703,751	0.00%	\$19,223,018	8.90%

See Note 10 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.



Other Supplementary Information  
**Dubuque County**

**DUBUQUE COUNTY**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2009**

Assets	County Assistance	REAP Fund	County Recorder's Records Management	Library	Rural Economic Development
Cash and pooled investments	\$ 2,661	\$ 195,387	\$ 18,596	\$ 39,642	\$ 656,234
Receivables:					
Property tax:					
Delinquent	-	-	-	-	-
Succeeding year	-	-	-	-	-
Accounts	-	-	-	-	-
Due from other governments	-	-	2,638	-	-
Notes receivable	<u>185,553</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>730,860</u>
 Total assets	 <u>\$ 188,214</u>	 <u>\$ 195,387</u>	 <u>\$ 21,234</u>	 <u>\$ 39,642</u>	 <u>\$ 1,387,094</u>
 Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 4,665	\$ -
Salaries and benefits payable	-	-	-	15,583	-
Due to other governments	-	-	-	26	-
Deferred revenue:					
Succeeding year property tax	-	-	-	-	-
Other	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,274</u>	<u>-</u>
Fund balances:					
Reserved for:					
Notes receivable	185,553	-	-	-	730,860
Debt service	-	-	-	-	-
Unreserved:					
Designated	-	71,055	-	-	-
Undesignated	<u>2,661</u>	<u>124,332</u>	<u>21,234</u>	<u>19,368</u>	<u>656,234</u>
Total fund balances	<u>188,214</u>	<u>195,387</u>	<u>21,234</u>	<u>19,368</u>	<u>1,387,094</u>
 Total liabilities and fund balances	 <u>\$ 188,214</u>	 <u>\$ 195,387</u>	 <u>\$ 21,234</u>	 <u>\$ 39,642</u>	 <u>\$ 1,387,094</u>

Special Revenue								Total
Gold Dome	Sheriff's Commissary	Conservation Land Acquisition	Conservation Easement Monitoring	Sheriff's Canine	Time-21	Zoning	Debt Service	Nonmajor Governmental Funds
\$ 54,469	\$ 52,115	\$ 230,810	\$ 2,500	\$ 4,839	\$ 10,117	\$ 46,387	\$ 7,028	\$ 1,320,785
-	-	-	-	-	-	-	1,129	1,129
-	-	-	-	-	-	-	492,611	492,611
-	-	-	-	-	-	1,842	-	1,842
-	-	-	-	-	-	-	-	2,638
-	-	-	-	-	-	-	-	916,413
<u>\$ 54,469</u>	<u>\$ 52,115</u>	<u>\$ 230,810</u>	<u>\$ 2,500</u>	<u>\$ 4,839</u>	<u>\$ 10,117</u>	<u>\$ 48,229</u>	<u>\$ 500,768</u>	<u>\$ 2,735,418</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 728	\$ -	\$ 5,393
-	-	-	-	-	-	7,253	-	22,836
-	-	-	-	-	-	-	-	26
-	-	-	-	-	-	-	492,611	492,611
-	-	-	-	-	-	-	1,105	1,105
-	-	-	-	-	-	7,981	493,716	521,971
-	-	-	-	-	-	-	-	916,413
-	-	-	-	-	-	-	7,052	7,052
-	-	-	-	-	-	-	-	71,055
<u>54,469</u>	<u>52,115</u>	<u>230,810</u>	<u>2,500</u>	<u>4,839</u>	<u>10,117</u>	<u>40,248</u>	<u>-</u>	<u>1,218,927</u>
<u>54,469</u>	<u>52,115</u>	<u>230,810</u>	<u>2,500</u>	<u>4,839</u>	<u>10,117</u>	<u>40,248</u>	<u>7,052</u>	<u>2,213,447</u>
<u>\$ 54,469</u>	<u>\$ 52,115</u>	<u>\$ 230,810</u>	<u>\$ 2,500</u>	<u>\$ 4,839</u>	<u>\$ 10,117</u>	<u>\$ 48,229</u>	<u>\$ 500,768</u>	<u>\$ 2,735,418</u>

**DUBUQUE COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2009**

	County Assistance	REAP Fund	County Recorder's Records Management	Library	Rural Economic Development
<b>Revenues:</b>					
Property and other County tax	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	45,263	-	87,780	-
Licenses and permits	-	-	-	-	-
Charges for service	-	-	21,516	17,495	-
Use of money and property	-	1,599	119	-	36,086
Miscellaneous	1	-	-	4,837	-
Total revenues	<u>1</u>	<u>46,862</u>	<u>21,635</u>	<u>110,112</u>	<u>36,086</u>
<b>Expenditures:</b>					
<b>Operating:</b>					
Public safety and legal services	-	-	-	-	-
County environment and education	-	-	-	553,741	6,000
Governmental services to residents	-	-	5,782	-	-
Non-program	-	-	-	-	-
Debt service	-	-	-	-	42,450
Total expenditures	<u>-</u>	<u>-</u>	<u>5,782</u>	<u>553,741</u>	<u>48,450</u>
Excess (deficiency) of revenues over (under) expenditures	1	46,862	15,853	(443,629)	(12,364)
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	445,790	-
Net change in fund balances	1	46,862	15,853	2,161	(12,364)
Fund balances beginning of year	<u>188,213</u>	<u>148,525</u>	<u>5,381</u>	<u>17,207</u>	<u>1,399,458</u>
Fund balances end of year	<u>\$ 188,214</u>	<u>\$ 195,387</u>	<u>\$ 21,234</u>	<u>\$ 19,368</u>	<u>\$ 1,387,094</u>

Special Revenue								Total
Gold Dome	Sheriff's Commissary	Conservation Land Acquisition	Conservation Easement Monitoring	Sheriff's Canine	Time-21	Zoning	Debt Service	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 484,571	\$ 686,299
-	-	-	-	-	10,117	-	14,643	157,803
-	-	-	-	-	-	17,125	-	17,125
-	47,756	-	-	-	-	18,597	-	105,364
488	-	-	-	-	-	-	-	38,292
-	14	132,161	-	10,293	-	473	-	147,779
<u>488</u>	<u>47,770</u>	<u>132,161</u>	<u>-</u>	<u>10,293</u>	<u>10,117</u>	<u>36,195</u>	<u>499,214</u>	<u>1,152,662</u>
-	-	-	-	10,202	-	-	-	10,202
-	-	-	-	-	-	202,718	-	964,187
-	16,925	-	-	-	-	-	-	22,707
-	-	19,628	-	-	-	-	-	19,628
-	-	-	-	-	-	-	498,600	541,050
<u>-</u>	<u>16,925</u>	<u>19,628</u>	<u>-</u>	<u>10,202</u>	<u>-</u>	<u>202,718</u>	<u>498,600</u>	<u>1,557,774</u>
488	30,845	112,533	-	91	10,117	(166,523)	614	(405,112)
-	-	-	-	-	-	198,497	-	644,287
488	30,845	112,533	-	91	10,117	31,974	614	239,175
<u>53,981</u>	<u>21,270</u>	<u>118,277</u>	<u>2,500</u>	<u>4,748</u>	<u>-</u>	<u>8,274</u>	<u>6,438</u>	<u>1,974,272</u>
<u>\$ 54,469</u>	<u>\$ 52,115</u>	<u>\$ 230,810</u>	<u>\$ 2,500</u>	<u>\$ 4,839</u>	<u>\$ 10,117</u>	<u>\$ 40,248</u>	<u>\$ 7,052</u>	<u>\$ 2,213,447</u>



**DUBUQUE COUNTY**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2009**

Schedule 3

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
<b>COUNTY AUDITOR</b>				
Assets:				
Cash on hand	\$ 5,480	\$ 141	\$ -	\$ 5,621
Liabilities:				
Trusts payable	\$ 5,480	\$ 141	\$ -	\$ 5,621
<b>COUNTY RECORDER</b>				
Assets:				
Cash on hand	\$ 61,886	\$ 1,398,224	\$ 1,378,842	\$ 81,268
Accounts receivable	2,542	2,641	2,542	2,641
Total assets	<u>\$ 64,428</u>	<u>\$ 1,400,865</u>	<u>\$ 1,381,384</u>	<u>\$ 83,909</u>
Liabilities:				
Due to other funds	\$ -	\$ 736,902	\$ 736,902	\$ -
Due to other governments	64,428	661,321	641,840	83,909
Total liabilities	<u>\$ 64,428</u>	<u>\$ 1,398,223</u>	<u>\$ 1,378,742</u>	<u>\$ 83,909</u>
<b>COUNTY RECORDER'S ELECTRONIC TRANSACTION FEE</b>				
Assets:				
Cash on hand	\$ 3,418	\$ 18,879	\$ 22,297	\$ -
Due from other governments	-	2,638	-	2,638
Total assets	<u>\$ 3,418</u>	<u>\$ 21,517</u>	<u>\$ 22,297</u>	<u>\$ 2,638</u>
Liabilities:				
Due to other governments	<u>\$ 3,418</u>	<u>\$ 21,517</u>	<u>\$ 22,297</u>	<u>\$ 2,638</u>

(continued)



**DUBUQUE COUNTY** **Schedule 3**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES** **(continued)**  
**AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2009**

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
<b>COUNTY SHERIFF</b>				
Assets:				
Cash on hand	\$ 126,931	\$ 2,195,366	\$ 2,195,794	\$ 126,503
Liabilities:				
Due to other funds	\$ -	\$ 499,447	\$ 499,447	\$ -
Due to other governments	74,392	663,236	644,243	93,385
Trusts payable	52,539	1,203,894	1,223,315	33,118
Total liabilities	<u>\$ 126,931</u>	<u>\$ 2,366,577</u>	<u>\$ 2,367,005</u>	<u>\$ 126,503</u>
<b>E911 FUND</b>				
Assets:				
Cash and pooled investments	\$ 433,160	\$ 569,179	\$ 643,039	\$ 359,300
Accounts receivable	925	2	925	2
Total assets	<u>\$ 434,085</u>	<u>\$ 569,181</u>	<u>\$ 643,964</u>	<u>\$ 359,302</u>
Liabilities:				
Accounts payable	\$ 14,269	\$ 14,857	\$ 14,269	\$ 14,857
Due to other governments	419,816	554,324	629,695	344,445
Total liabilities	<u>\$ 434,085</u>	<u>\$ 569,181</u>	<u>\$ 643,964</u>	<u>\$ 359,302</u>
<b>DRAINAGE DISTRICT FUND</b>				
Assets:				
Cash and pooled investments	\$ 704	\$ 6	\$ -	\$ 710
Liabilities:				
Due to other governments	\$ 704	\$ 6	\$ -	\$ 710

(continued)



**DUBUQUE COUNTY** **Schedule 3**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES** **(continued)**  
**AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2009**

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
<b>AGRICULTURAL EXTENSION EDUCATION FUND</b>				
Assets:				
Cash and pooled investments	\$ 1,143	\$ 117,134	\$ 116,999	\$ 1,278
Property tax receivable:				
Delinquent	276	284	276	284
Succeeding year	<u>116,832</u>	<u>112,315</u>	<u>116,832</u>	<u>112,315</u>
Total assets	<u>\$ 118,251</u>	<u>\$ 229,733</u>	<u>\$ 234,107</u>	<u>\$ 113,877</u>
Liabilities:				
Due to other governments	<u>\$ 118,251</u>	<u>\$ 229,733</u>	<u>\$ 234,107</u>	<u>\$ 113,877</u>
 <b>COUNTY ASSESSOR FUND</b>				
Assets:				
Cash and pooled investments	\$ 265,483	\$ 638,268	\$ 564,298	\$ 339,453
Property tax receivable:				
Delinquent	1,978	1,843	1,978	1,843
Succeeding year	<u>610,252</u>	<u>476,005</u>	<u>610,252</u>	<u>476,005</u>
Total assets	<u>\$ 877,713</u>	<u>\$ 1,116,116</u>	<u>\$ 1,176,528</u>	<u>\$ 817,301</u>
Liabilities:				
Accounts payable	\$ 3,788	\$ 1,739	\$ 3,788	\$ 1,739
Salaries and benefits payable	12,903	14,714	12,903	14,714
Due to other governments	<u>861,022</u>	<u>1,099,663</u>	<u>1,159,837</u>	<u>800,848</u>
Total liabilities	<u>\$ 877,713</u>	<u>\$ 1,116,116</u>	<u>\$ 1,176,528</u>	<u>\$ 817,301</u>

(continued)



**DUBUQUE COUNTY** **Schedule 3**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES** **(continued)**  
**AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2009**

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
<b>CITY ASSESSOR FUND</b>				
Assets:				
Cash and pooled investments	\$ 274,020	\$ 671,441	\$ 608,795	\$ 336,666
Property tax receivable:				
Delinquent	1,010	1,144	1,010	1,144
Succeeding year	582,001	543,444	582,001	543,444
Total assets	<u>\$ 857,031</u>	<u>\$ 1,216,029</u>	<u>\$ 1,191,806</u>	<u>\$ 881,254</u>
Liabilities:				
Accounts payable	\$ 338	\$ -	\$ 338	\$ -
Salaries and benefits payable	13,855	15,726	13,855	15,726
Due to other governments	842,838	1,200,303	1,177,613	865,528
Total liabilities	<u>\$ 857,031</u>	<u>\$ 1,216,029</u>	<u>\$ 1,191,806</u>	<u>\$ 881,254</u>
<b>SCHOOLS FUND</b>				
Assets:				
Cash and pooled investments	\$ 470,758	\$ 52,810,305	\$ 52,701,232	\$ 579,831
Property tax receivable:				
Delinquent	111,769	125,596	111,769	125,596
Succeeding year	49,255,786	51,226,913	49,255,786	51,226,913
Total assets	<u>\$ 49,838,313</u>	<u>\$ 104,162,814</u>	<u>\$ 102,068,787</u>	<u>\$ 51,932,340</u>
Liabilities:				
Due to other governments	<u>\$ 49,838,313</u>	<u>\$ 104,162,814</u>	<u>\$ 102,068,787</u>	<u>\$ 51,932,340</u>

(continued)



**DUBUQUE COUNTY** **Schedule 3**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES** **(continued)**  
**AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2009**

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
<b>AREA SCHOOLS FUND</b>				
Assets:				
Cash and pooled investments	\$ 18,237	\$ 1,827,215	\$ 1,825,516	\$ 19,936
Property tax receivable:				
Delinquent	4,412	4,419	4,412	4,419
Succeeding year	1,822,549	3,387,063	1,822,549	3,387,063
Total assets	<u>\$ 1,845,198</u>	<u>\$ 5,218,697</u>	<u>\$ 3,652,477</u>	<u>\$ 3,411,418</u>
Liabilities:				
Due to other governments	<u>\$ 1,845,198</u>	<u>\$ 5,218,697</u>	<u>\$ 3,652,477</u>	<u>\$ 3,411,418</u>
<b>CORPORATIONS FUND</b>				
Assets:				
Cash and pooled investments	\$ 282,147	\$ 30,552,959	\$ 30,533,763	\$ 301,343
Receivables:				
Property tax:				
Delinquent	44,236	61,596	44,236	61,596
Succeeding year	29,568,556	22,853,271	29,568,556	22,853,271
Special assessments	13,184	-	13,184	-
Total assets	<u>\$ 29,908,123</u>	<u>\$ 53,467,826</u>	<u>\$ 60,159,739</u>	<u>\$ 23,216,210</u>
Liabilities:				
Due to other governments	<u>\$ 29,908,123</u>	<u>\$ 53,467,826</u>	<u>\$ 60,159,739</u>	<u>\$ 23,216,210</u>
<b>TOWNSHIPS FUND</b>				
Assets:				
Cash and pooled investments	\$ 5,003	\$ 497,928	\$ 497,898	\$ 5,033
Property tax receivable:				
Delinquent	1,482	1,579	1,482	1,579
Succeeding year	495,858	526,941	495,858	526,941
Total assets	<u>\$ 502,343</u>	<u>\$ 1,026,448</u>	<u>\$ 995,238</u>	<u>\$ 533,553</u>
Liabilities:				
Due to other governments	<u>\$ 502,343</u>	<u>\$ 1,026,448</u>	<u>\$ 995,238</u>	<u>\$ 533,553</u>

(continued)



**DUBUQUE COUNTY** **Schedule 3**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES** **(continued)**  
**AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2009**

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
<b>AUTO LICENSE AND USE TAX FUND</b>				
Assets:				
Cash and pooled investments	\$ 2,188,922	\$ 25,772,925	\$ 25,571,778	\$ 2,390,069
Liabilities:				
Due to other governments	\$ 2,188,922	\$ 25,772,925	\$ 25,571,778	\$ 2,390,069
<b>BRUCELLOSIS AND TUBERCULOSIS ERADICATION FUND</b>				
Assets:				
Cash and pooled investments	\$ 104	\$ 11,477	\$ 11,456	\$ 125
Property tax receivable:				
Delinquent	25	28	28	25
Succeeding year	11,448	10,216	11,448	10,216
Total assets	<u>\$ 11,577</u>	<u>\$ 21,721</u>	<u>\$ 22,932</u>	<u>\$ 10,366</u>
Liabilities:				
Due to other governments	<u>\$ 11,577</u>	<u>\$ 21,721</u>	<u>\$ 22,932</u>	<u>\$ 10,366</u>
<b>JOINT DISASTER SERVICES FUND</b>				
Assets:				
Cash and pooled investments	\$ 28,321	\$ 178,592	\$ 161,206	\$ 45,707
Due from other governments	-	19,200	-	19,200
Total assets	<u>\$ 28,321</u>	<u>\$ 197,792</u>	<u>\$ 161,206</u>	<u>\$ 64,907</u>
Liabilities:				
Accounts payable	\$ 1,489	\$ 609	\$ 1,489	\$ 609
Salaries and benefits payable	2,506	2,989	2,506	2,989
Due to other governments	24,326	194,194	157,211	61,309
Total liabilities	<u>\$ 28,321</u>	<u>\$ 197,792</u>	<u>\$ 161,206</u>	<u>\$ 64,907</u>

(continued)



**DUBUQUE COUNTY** **Schedule 3**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES** **(continued)**  
**AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2009**

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
<b>COUNTY HOSPITAL FUND</b>				
Assets:				
Cash and pooled investments	\$ 94,654	\$ 888,116	\$ 875,219	\$ 107,551
Property tax receivable:				
Delinquent	1,893	2,121	1,893	2,121
Succeeding year	874,732	897,088	874,732	897,088
Total assets	<u>\$ 971,279</u>	<u>\$ 1,787,325</u>	<u>\$ 1,751,844</u>	<u>\$ 1,006,760</u>
Liabilities:				
Due to other governments	\$ 884,445	\$ 1,689,343	\$ 1,665,010	\$ 908,778
Trusts payable	86,834	97,982	86,834	97,982
Total liabilities	<u>\$ 971,279</u>	<u>\$ 1,787,325</u>	<u>\$ 1,751,844</u>	<u>\$ 1,006,760</u>
<b>COUNTY LIBRARIES</b>				
Assets:				
Cash and pooled investments	<u>\$ -</u>	<u>\$ 60,345</u>	<u>\$ 60,345</u>	<u>\$ -</u>
Liabilities:				
Due to other governments	<u>\$ -</u>	<u>\$ 60,345</u>	<u>\$ 60,345</u>	<u>\$ -</u>
<b>TAX SALES</b>				
Assets:				
Cash and pooled investments	<u>\$ -</u>	<u>\$ 719,474</u>	<u>\$ 719,474</u>	<u>\$ -</u>
Liabilities:				
Due to other governments	<u>\$ -</u>	<u>\$ 719,474</u>	<u>\$ 719,474</u>	<u>\$ -</u>

(continued)



**DUBUQUE COUNTY** **Schedule 3**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES** **(continued)**  
**AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2009**

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
<b>TOTAL COMBINED FUNDS</b>				
<b>Assets:</b>				
Cash and pooled investments	\$ 4,260,371	\$ 118,927,974	\$ 118,487,951	\$ 4,700,394
Receivables:				
Property tax:				
Delinquent	167,081	198,610	167,084	198,607
Succeeding year	83,338,014	80,033,256	83,338,014	80,033,256
Special assessments	13,184	-	13,184	-
Accounts	3,467	2,643	3,467	2,643
Due from other governments	-	21,838	-	21,838
Total assets	<u>\$ 87,782,117</u>	<u>\$ 199,184,321</u>	<u>\$ 202,009,700</u>	<u>\$ 84,956,738</u>
<b>Liabilities:</b>				
Accounts payable	\$ 19,884	\$ 17,205	\$ 19,884	\$ 17,205
Salaries and benefits payable	29,264	33,429	29,264	33,429
Due to other funds	-	1,236,349	1,236,349	-
Due to other governments	87,588,116	196,763,890	199,582,623	84,769,383
Trusts payable	144,853	1,302,017	1,310,149	136,721
Total liabilities	<u>\$ 87,782,117</u>	<u>\$ 199,352,890</u>	<u>\$ 202,178,269</u>	<u>\$ 84,956,738</u>

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

	<u>2009</u>	<u>2008</u>	<u>Modified 2007</u>
<b>Revenues:</b>			
Property and other County tax	\$ 27,240,375	\$ 25,406,202	\$ 24,190,478
Interest and penalty on property tax	204,352	177,902	192,133
Intergovernmental	19,812,556	19,187,628	16,933,453
Licenses and permits	178,046	60,989	81,279
Charges for service	3,922,171	3,169,249	3,523,109
Use of money and property	633,308	1,129,355	1,192,835
Miscellaneous	409,897	328,877	315,320
	<u>\$ 52,400,705</u>	<u>\$ 49,460,202</u>	<u>\$ 46,428,607</u>
<b>Expenditures:</b>			
<b>Operating:</b>			
Public safety and legal services	\$ 11,965,162	\$ 11,360,666	\$ 10,788,429
Physical health and social services	12,154,247	11,551,452	11,475,539
Mental health	8,467,938	8,996,144	8,740,684
County environment and education	3,075,000	2,762,417	2,807,662
Roads and transportation	6,583,797	6,675,885	5,063,529
Governmental services to residents	1,519,862	1,375,544	1,353,856
Administration	4,559,159	2,828,811	2,635,300
Non-program	20,496	172,268	100,032
Debt service	541,050	543,300	539,001
Capital projects	3,394,096	1,916,989	4,223,880
	<u>\$ 52,280,807</u>	<u>\$ 48,183,476</u>	<u>\$ 47,727,912</u>

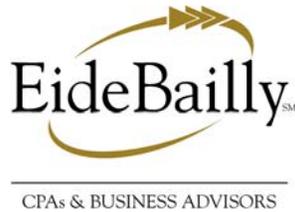
Accrual Basis				
2006	2005	2004	2003	2002
\$ 23,020,154	\$ 21,831,098	\$ 20,266,271	\$ 19,144,204	\$ 18,164,309
80,611	156,422	150,455	135,401	143,687
16,539,239	15,709,496	15,688,918	13,947,328	15,188,180
95,459	75,408	75,352	74,905	72,665
3,356,019	3,709,352	3,091,200	2,532,583	3,017,775
1,022,662	645,616	425,907	766,244	1,409,904
288,477	320,706	295,860	349,517	251,377
<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>
\$ 9,656,409	\$ 9,109,419	\$ 9,059,895	\$ 7,294,779	\$ 6,778,959
11,501,263	11,055,587	6,294,233	2,082,828	4,843,408
7,695,818	8,132,532	12,127,062	12,674,349	13,194,622
2,183,929	2,080,390	2,201,639	1,962,072	1,944,581
5,965,514	5,331,620	5,978,774	6,320,443	4,938,493
1,206,131	1,379,327	1,190,902	1,150,037	1,121,156
2,662,217	2,546,948	2,631,399	2,362,147	2,385,156
14,038	11,315	65,714	5,763	15,898
539,850	534,650	535,574	537,488	562,675
4,883,263	1,599,550	7,326,820	6,374,823	3,403,216
<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  
June 30, 2009

**Dubuque County**





**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, 2009, which collectively comprise the County's basic financial statements listed in the table of contents, and have issued our report thereon dated April 22, 2010. 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.



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-09 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 III 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, 2009, 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.

We noted certain matters that we reported to management of Dubuque County in a separate letter dated April 22, 2010.

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.

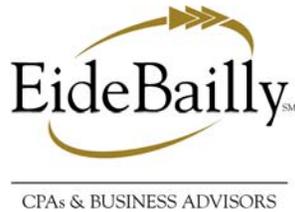
This report, a public record by law, is intended solely for the information and use of the officials, employees, and citizens of Dubuque County and other parties to whom Dubuque County may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should 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  
April 22, 2010





**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, 2009. 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, 2009.

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.



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.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

A handwritten signature in cursive script that reads "Eide Sully LLP". The signature is written in black ink and is positioned to the left of a vertical yellow line.

Dubuque, Iowa  
April 22, 2010



**DUBUQUE COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2009**

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
U.S. Department of Agriculture Pass-through Program From Iowa Department of Human Services State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ <u>46,932</u>
U.S. Department of Justice Pass-through Program From Iowa Department of Human Rights Juvenile Accountability Block Grants	16.523	20-JD06-F07	11,335
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	20-JD06-F07	1,036
Iowa Department of Justice Violence Against Women Formula Grants	16.588	VW-09-24A	55,106
Violence Against Women Formula Grants	16.588	VW-09-24B	1,224
Iowa Department of Human Rights Enforcing Underage Drinking Laws Program	16.727	20-JD06-F07	3,821
Governor's Office of Drug Control Policy Edward Byrne Memorial Justice Assistance Grant Program	16.738	08JAG/C06-A16	<u>119,816</u>
Total U.S. Department of Justice			<u>192,338</u>
U.S. Department of Transportation Pass-through Program From Governor's Traffic Safety Bureau Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	PAP 09-410, Task 21	18,303
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	PAP 08-410, Task 21	9,941
Iowa Department of Homeland Security Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703		<u>1,414</u>
Total U.S. Department of Transportation			<u>29,658</u>
U.S. Department of Health and Human Services Pass-through Program From Black Hawk County, Iowa Public Health Emergency Preparedness	93.069	3109	37,895
Public Health Emergency Preparedness	93.069	3107	13,149
Public Health Emergency Preparedness	93.069	5888BT12	1,673
Iowa Department of Public Health Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	5880NB11	27,599
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	5880WW10	18,395
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	5889OB08	4,513

(continued)



**DUBUQUE COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2009**

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
U.S. Department of Health and Human Services (continued)			
Pass-through Program From			
Iowa Department of Human Services			
Temporary Assistance for Needy Families	93.558		\$ 43,574
Child Support Enforcement	93.563	BOC07-013	157,535
Refugee and Entrant Assistance-State Administered Programs	93.566		80
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		12,378
Foster Care - Title IV-E	93.658		26,447
Adoption Assistance	93.659		6,354
Social Services Block Grant	93.667		314,140
Social Services Block Grant	93.667		28,560
State Children's Insurance Program	93.767		363
Medical Assistance Program	93.778		57,450
National Bioterrorism Hospital Preparedness Program	93.889	5880EM29	7,500
National Bioterrorism Hospital Preparedness Program	93.889	5888EM131	3,000
Iowa Department of Public Health			
HIV Prevention Activities-Health Department Based	93.940	5888AP07	2,336
Preventive Health and Health Services Block Grant	93.991	5889AP07	8,513
Preventive Health and Health Services Block Grant	93.991	5889AP07	<u>1,920</u>
Total U.S. Department of Health and Human Services			<u>773,374</u>
U.S. Department of Homeland Security			
Pass-through Program From			
Iowa Department of Homeland Security			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	1763-DR-IA	882,070
Iowa Department of Public Defense			
Emergency Management Performance Grants	97.042		<u>5,582</u>
Total U.S. Department of Homeland Security			<u>887,652</u>
Total			<u>\$ 1,929,954</u>



**DUBUQUE COUNTY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2009**

---

**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:

Program Title	CFDA Number	Amount Provided to Subrecipients
Juvenile Accountability Block Grants	16.523	\$ 11,335
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	1,036
Enforcing Underage Drinking Laws Program	16.727	3,821
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2,197
Public Health Emergency Preparedness	93.069	16,754
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	44,294
HIV Prevention Activities-Health Department Based	93.940	2,336
Preventive Health and Health Services Block Grant	93.991	8,513



**DUBUQUE COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2009**

---

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

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weakness identified Yes

Significant deficiency Yes

Noncompliance material to financial statements noted No

Federal Awards

Internal control over major programs:

Material weakness identified No

Significant deficiency None reported

Type of auditor's report issued on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a) No

Identification of major programs:

CFDA Number

93.667

97.036

Name of Federal Program or Cluster

Social Services Block Grant

Disaster Grants – Public Assistance  
(Presidentially Declared Disasters)

Dollar threshold used to distinguish between Type A and Type B programs \$300,000

Auditee qualified as low-risk auditee No

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

**SIGNIFICANT DEFICIENCY/MATERIAL WEAKNESS**

II-A-09 Material Audit Adjustments

Criteria – A properly designed system of internal control over financial reporting allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.

Condition – During the course of our engagement, we proposed material audit adjustments to the financial statements that would not have been identified as a result of the County's existing internal controls and, therefore, could have resulted in a material misstatement of the County's financial statements.

Cause – There is a limited number of office employees with varying levels of experience with the reporting requirements.



**DUBUQUE COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2009**

---

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

Effect – The effect of this condition was financial data not in accordance with generally accepted accounting principles.

Recommendation – We recommend that County staff continue to receive relevant training and that management review all documentation completed by staff for use in preparing the financial statements.

Response – The Auditor’s Office will work with the Treasurer’s office and accounts payable staff to train and minimize the transactions requiring adjustments.

Conclusion – Response accepted.

**SIGNIFICANT DEFICIENCIES**

II-B-09 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-09 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, 2009**

---

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

III-A-09 Certified Budget - Disbursements during the year ended June 30, 2009, did not exceed the amounts budgeted by function. However, disbursements in certain departments exceeded the amounts appropriated.

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

Response – 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.

III-B-09 Questionable Expenditures – No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979, were noted.

III-C-09 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, 2009**

---

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

III-D-09 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	\$ 7,512
Sue Breitbach, information services employee, spouse owns Breitbach Feeds	Supplies	\$ 662

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.

III-E-09 Bond Coverage - Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be periodically reviewed to ensure that the coverage is adequate for current operations.

III-F-09 Board Minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.

III-G-09 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.

III-H-09 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).

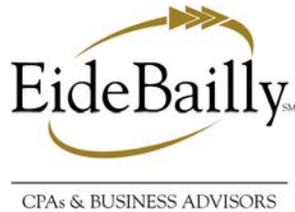


**DUBUQUE COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2009**

---

III-I-09     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, 2009, for the County Extension Office did not exceed the amount budgeted.



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, 2009. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 18, 2009. Professional standards also require that we communicate to you the following information related to our audit.

## 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 2009. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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. Depreciable lives are based on past history of life cycles of capital assets. We evaluated the key factors and assumptions used to develop the depreciable lives in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of allowances for uncollectible property tax penalties and interest and sheriff accounts receivable. 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 allowances for uncollectible receivables in determining that they are reasonable in relation to the financial statements taken as a whole.

To the Honorable Chairman and Members of  
the Board of Supervisors  
Dubuque County, Iowa  
Page 2

Management's estimate of other postemployment benefits is based on a calculation of actuarially determined contributions for health insurance benefits. We evaluated the key factors and assumptions used to develop other postemployment benefits liability in determining that it is 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>\$ 491,000</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 April 22, 2010.

*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.

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

*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 cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the typed name and date.

Dubuque, Iowa  
April 22, 2010

**DUBUQUE COUNTY, IOWA**  
**YEAR ENDED JUNE 30, 2009**  
**OTHER COMMENTS**

---

**Accounting Policies**

The current accounting policies and procedures manual is old and needs to be updated. County employees have been working on this project over the last few years, and progress has been made by documenting the procedures being performed. We recommend that this process be continued and completed soon to ensure that policies and procedures reflect current issues and situations in the County.

**Credit Card Purchases and Travel Reimbursements**

During our audit, we noted credit card purchases and travel expenditures 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. Travel reimbursements should require not only the date and number of miles traveled, but also where the trip was taken and the purpose for the trip.

**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 three statements not yet implemented by Dubuque County. The statements, which might impact Dubuque County, are as follows:

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. 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.

Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, issued February 2009, will be effective for the fiscal year ending June 30, 2011. This Statement establishes new standards for fund balance classifications based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.