



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

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Auditor of State

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7

**NEWS RELEASE**

FOR RELEASE

\_\_\_\_\_ April 3, 2006 \_\_\_\_\_

Contact: Andy Nielsen  
515/281-5834

Auditor of State David A. Vaudt today released an audit report on Dallas County, Iowa.

The County had local tax revenue of \$73,728,481 for the year ended June 30, 2005, which included \$2,256,455 in tax credits from the state. The County forwarded \$61,043,306 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$12,685,175 of the local tax revenue to finance County operations, a 3.3 percent decrease from the prior year. Other revenues included charges for service of \$4,995,236, operating grants, contributions and restricted interest of \$5,725,454, capital grants, contributions and restricted interest of \$3,061,616, unrestricted investment earnings of \$235,676 and other general revenues of \$65,838.

Expenses for County operations totaled \$23,317,326, a 3.5 percent increase over the prior year. Expenses included \$5,736,044 for roads and transportation, \$4,420,969 for public safety and legal services and \$3,996,880 for mental health.

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

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**DALLAS COUNTY**

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

**JUNE 30, 2005**

## Table of Contents

		Page
Officials		3
Independent Auditor’s Report		5-6
Management’s Discussion and Analysis		7-14
Basic Financial Statements:	<u>Exhibit</u>	
Government-wide Financial Statements:		
Statement of Net Assets	A	16
Statement of Activities	B	17
Governmental Fund Financial Statements:		
Balance Sheet	C	18-21
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Assets	D	23
Statement of Revenues, Expenditures and Changes in Fund Balances	E	24-25
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	F	26
Proprietary Fund Financial Statements:		
Statement of Net Assets	G	27
Statement of Revenues, Expenses and Changes in Fund Net Assets	H	28
Statement of Cash Flows	I	29
Fiduciary Fund Financial Statement:		
Statement of Fiduciary Assets and Liabilities – Agency Funds	J	30
Notes to Financial Statements		31-47
Required Supplementary Information:		
Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances – Budget and Actual (Cash Basis) – All Governmental Funds		50-51
Budget to GAAP Reconciliation		52
Notes to Required Supplementary Information – Budgetary Reporting		53
Other Supplementary Information:	<u>Schedule</u>	
Nonmajor Governmental Funds:		
Combining Balance Sheet	1	56-57
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	2	58-59
Agency Funds:		
Combining Schedule of Fiduciary Assets and Liabilities	3	60-61
Combining Schedule of Changes in Fiduciary Assets and Liabilities	4	62-63
Schedule of Revenues by Source and Expenditures by Function – All Governmental Funds	5	64
Schedule of Expenditures of Federal Awards	6	66-68
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		69-70
Independent Auditor’s Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133		73-74
Schedule of Findings and Questioned Costs		75-85
Staff		86

**Dallas County**

**Officials**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<b>(Before January 2005)</b>		
Alice Wicker	Board of Supervisors	Jan 2005
Kim Chapman	Board of Supervisors	Jan 2007
Brad Golightly	Board of Supervisors	Jan 2007
Carol Bayeur-Dawson	County Auditor	Jan 2005
Darrell Bauman	County Treasurer	Jan 2007
Carol Hol	County Recorder	Jan 2007
Arthur Johnson	County Sheriff	Jan 2005
Wayne M. Reisetter	County Attorney	Jan 2007
Steve Helm	County Assessor	Jan 2010
<b>(After January 2005)</b>		
Kim Chapman	Board of Supervisors	Jan 2007
Brad Golightly	Board of Supervisors	Jan 2007
Mark Hanson	Board of Supervisors	Jan 2009
Gene Krumm	County Auditor	Jan 2009
Darrell Bauman	County Treasurer	Jan 2007
Carol Hol	County Recorder	Jan 2007
Brian Gilbert	County Sheriff	Jan 2009
Wayne M. Reisetter	County Attorney	Jan 2007
Steve Helm	County Assessor	Jan 2010

**Dallas County**



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Independent Auditor's Report

To the Officials of Dallas County:

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

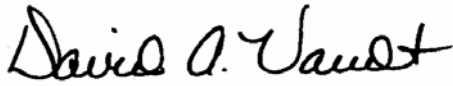
We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 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, each major fund and the aggregate remaining fund information of Dallas County at June 30, 2005, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated December 20, 2005 on our consideration of Dallas County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 7 through 14 and 50 through 53 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. 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. 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 Dallas 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 five years ended June 30, 2004 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 6, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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.



DAVID A. VAUDT, CPA  
Auditor of State



WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

December 20, 2005



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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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This discussion and analysis of Dallas County's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2005. We encourage readers to consider this information in conjunction with the County's financial statements which follow.

### **2005 FINANCIAL HIGHLIGHTS**

- Revenues of the County's governmental activities increased 5.05%, or approximately \$1.28 million, from fiscal 2004 to fiscal 2005, compared to a 5.34% increase from fiscal 2003 to fiscal 2004.
- Expenses of the County's governmental activities increased by 3.49 %, or approximately \$800,000, from fiscal 2004 to fiscal 2005, compared to a 5.93% increase from fiscal 2003 to fiscal 2004.
- The County's net assets increased 9.04%, or approximately \$3.5 million, from June 30, 2004 to June 30, 2005, compared to an 8.37% increase from fiscal 2003 to fiscal 2004.
- The governmental funds ending fund balances changed from fiscal year 2004 at \$9,995,994 to fiscal year 2005 at \$11,153,757.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of this report has four components: management's discussion and analysis (this section), the basic financial statements, required supplementary information and other supplementary information. In past years, the primary focus of government financial statements has been summarized fund type information on a current financial resources basis. Dallas County's financial statements present two kinds of statements, each with a different snapshot of the County's finances. The focus is on both the County as a whole (government-wide) and the fund financial statements.

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 which provide both long-term and short-term information about the County's overall financial status.

Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. The Fund Financial Statements, which have been provided in the past, focus on the individual parts of Dallas County government, reporting the County's operations in more detail than the government-wide financial statements. The remaining statements provide financial information about activities for which Dallas County acts solely as an agent or custodian for the benefit of those outside of County government (Agency Funds).

Both perspectives (government-wide and fund) allow the user to address relevant questions to broaden the basis of comparison (year to year, government to government) and enhance Dallas County's accountability.

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year.

Other Supplementary Information provides detailed information about the nonmajor Special Revenue Funds, the Debt Service Fund and the Agency Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the County.

## **REPORTING DALLAS COUNTY AS A WHOLE**

### *Government-wide Financial Statements*

One of the most important questions asked about Dallas County's finances is, "Is Dallas County as a whole better off or worse off as a result of the year's activities?" The government-wide financial statements report information about Dallas 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 government-wide statements consist of two financial statements:

- Statement of Net Assets
- Statement of Activities

The Statement of Net Assets presents all of Dallas County's assets and liabilities, with the difference between the two reported as "net assets". You can consider the County's net assets as one way to measure Dallas County's financial health or financial position. Over time, increases or decreases in the County's net assets are one indication of whether its financial health is improving or deteriorating. The reader will also need to consider non-financial factors, such as changes in Dallas County's property tax base, the condition of its roads and the condition of its other assets, to assess the overall health of Dallas County.

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

### *Fund Financial Statements*

The traditional users of government financial statements will find the fund financial statement presentation more familiar. The fund financial statements provide detailed information about the most significant funds, not Dallas County as a whole. Funds are accounting devices

Dallas County uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law and by bond covenants. Dallas County establishes other funds to help it control and manage money for particular purposes or to show it is meeting legal responsibilities for using certain taxes, grants and other revenue.

Dallas County has three kinds of funds:

- Governmental
- Proprietary
- Fiduciary

1) Governmental Funds - Most of Dallas County's basic services are reported in governmental funds. These focus on: (1) how cash and other financial assets that can be readily converted to cash flow into and out of those funds and (2) the balances left at the end of the year for spending. Consequently, the governmental fund financial statements provide a detailed short-term view that helps readers determine whether there are financial resources available to finance Dallas County's basic services in the near future. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information on Exhibits D and F explain the relationship or differences between the two statements. Dallas County's governmental funds include the: General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Fund. The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

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

2) Proprietary Funds - Services for which Dallas County charges customers a fee are generally reported as proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information.

Dallas County uses an Internal Service, Employee Group Health Fund to report activities providing services for the County. Internal Service Funds are an accounting device used to accumulate and account costs internally among the County's various functions.

The required financial statements for proprietary funds include a statement of net assets, a statement of revenues, expenses and changes in fund net assets and a statement of cash flows.

3) Fiduciary Funds - Dallas County is the trustee, or fiduciary, for assets belonging to others. The County is responsible for ensuring the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary assets and liabilities. Dallas County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations. These funds include: Emergency Management Services, County Assessor, Empowerment and other Agency Funds for collecting and distributing taxes to schools, cities and other taxing authorities.

The required financial statement for fiduciary funds is a statement of fiduciary assets and liabilities.

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, assets may serve over time as a useful indicator of financial position. Dallas County's combined net assets changed from a year ago, increasing from \$38.2 million to \$41.6 million. The analysis that follows focuses on the changes in the net assets for governmental activities.

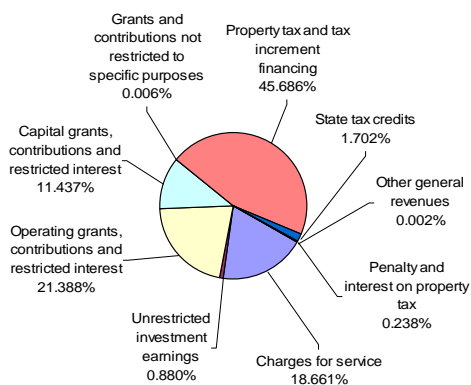
Net Assets of Governmental Activities		
	June 30,	
	2005	2004
Current and other assets	\$ 26,514,594	25,089,358
Capital assets	39,624,986	36,994,147
Total assets	66,139,580	62,083,505
Long-term liabilities	9,933,065	9,818,339
Other liabilities	14,574,832	14,085,152
Total liabilities	24,507,897	23,903,491
Net assets:		
Invested in capital assets, net of related debt	30,629,638	28,338,279
Restricted	5,363,812	5,240,659
Unrestricted	5,638,233	4,601,076
Total net assets	\$ 41,631,683	38,180,014

Dallas County's combined net assets (which is the County's bottom line) increased by \$3,451,669. The primary reason for the increase was the net increase in assets of \$4,056,075 offset by an increase in liabilities of \$604,406. The largest portion of Dallas County's net assets is invested in capital assets (e.g. land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. Restricted net assets represent resources subject to external restrictions, constitutional provisions or enabling legislation on how they may be used. Dallas County's unrestricted net assets, the part of the net assets that can be used to finance day-to-day operations, are \$5,638,233. This represents a \$1,037,157 increase over fiscal year 2004, or 23%.

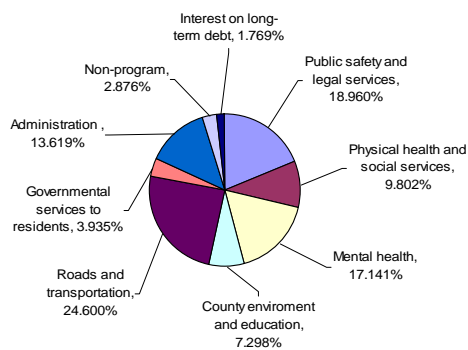
**Changes in Net Assets of Governmental Activities**

	Year ended June 30,	
	2005	2004
<b>Revenues:</b>		
<b>Program revenues:</b>		
Charges for service	\$ 4,995,236	5,232,714
Operating grants, contributions and restricted interest	5,725,454	5,435,046
Capital grants, contributions and restricted interest	3,061,616	1,254,264
<b>General revenues:</b>		
Property tax and tax increment financing	12,229,579	12,653,516
Penalty and interest on property tax	63,641	175,741
State tax credits	455,596	467,500
Grants and contributions not restricted to specific purposes	1,639	99,689
Unrestricted investment earnings	235,676	136,968
Gain on sale of capital assets	-	25,245
Other general revenues	558	608
<b>Total revenues</b>	<b>26,768,995</b>	<b>25,481,291</b>
<b>Program expenses:</b>		
Public safety and legal services	4,420,969	4,356,889
Physical health and social services	2,285,548	2,344,315
Mental health	3,996,880	3,950,661
County environment and education	1,701,777	1,566,541
Roads and transportation	5,736,044	5,599,414
Governmental services to residents	917,423	785,407
Administration	3,175,621	2,761,670
Non-program	670,578	727,885
Interest on long-term debt	412,486	438,250
<b>Total expenses</b>	<b>23,317,326</b>	<b>22,531,032</b>
<b>Increase in net assets</b>	<b>3,451,669</b>	<b>2,950,259</b>
<b>Net assets beginning of year</b>	<b>38,180,014</b>	<b>35,229,755</b>
<b>Net assets end of year</b>	<b>\$ 41,631,683</b>	<b>38,180,014</b>

**Revenue by Source**



**Expense by Program**



For the fiscal year ended June 30, 2005, governmental activities revenues totaled \$26,768,995, an increase of \$1,287,704, or 5.05%, over fiscal 2004. Property tax revenue, the County's largest revenue source, decreased by approximately \$424,000 while capital grants,

contributions and restricted interest increased approximately \$1.8 million. The expenses for governmental activities totaled \$23,317,326, an increase over fiscal year 2004 of about \$800,000.

Dallas County decreased the county-wide property tax levy rates for a second year in a row. The decrease for FY05 was \$.17 per \$1,000 of taxable valuation. The rural tax levy rate for FY05 decreased from the prior year by \$.06 per \$1,000 of taxable valuation, the mental health levy decreased by \$.27 per \$1,000 of taxable valuation, the debt service levy increased by \$.01 per \$1,000 of taxable valuation and the general supplemental levy increased by \$.15 per \$1,000 of taxable valuation. The total county-wide taxable property valuation increased \$21,328,795 over the prior year.

## **MAJOR FUND ANALYSIS AND HIGHLIGHTS**

As Dallas County completed the year, its governmental funds reported a combined fund balance of \$11,153,757, which is higher than fiscal year 2004's combined fund balance of \$9,995,994.

The General Fund ending balance of \$6,636,993 is an increase from fiscal 2004 of \$1,736,636, which is approximately \$600,000 more than the net change in fund balance from fiscal 2003 to fiscal 2004. Of the \$6,636,993 ending fund balance, \$1,320,517 was reserved, \$1,339,370 was unreserved/designated for special projects and \$3,977,106 was unreserved/undesignated. The increase in fund balance was primarily due to property tax valuations increasing approximately \$21.3 million from fiscal year 2004 to fiscal year 2005. Also, while the general basic levy remained unchanged for fiscal year 2005, the general supplemental levy increased by \$.15 per \$1,000 of taxable valuation.

The Mental Health Fund ending balance of \$151,201 is a decrease from fiscal year 2004 of \$644,924. The decrease was primarily due to the use of fund balance. Due to the increase in property valuations, the County was able to decrease the mental health levy by \$.27 per \$1,000 of taxable valuation.

The Rural Services Fund ended fiscal year 2005 with a \$248,742 balance compared to the prior year ending balance of \$250,379. The rural levy showed a minimal decrease of \$.06 per \$1,000 of taxable valuation for 2005.

The Secondary Roads Fund ended fiscal year 2005 with a balance of \$2,343,490, compared to a fiscal year 2004 balance of \$1,904,515. Of the 2005 ending balance, \$210,000 is unreserved/designated and \$2,133,490 is unreserved/undesignated. The increase in fund balance was primarily due to receipt of additional grant dollars in the current year and a decline in road construction activity (more maintenance projects than new construction in fiscal year 2005).

The Capital Projects Fund ended the 2005 year with a balance of \$17,492, compared to the 2004 balance of \$600,259. This decrease is a result of the near completion of the Raccoon Valley Bike Trail overlay project as well as moving expenses related to the pending courthouse floor renovation project.

## **BUDGETARY HIGHLIGHTS**

Over the course of fiscal year 2005, Dallas County amended the operating budget two times. The first amendment was made in December 2004 to finance additional disbursements, including County Attorney grant, PHN bio-terrorism grant, Recorder's CLRIS funds, completion of various capital projects as well as courthouse shoring, office relocation and various designated funds from FY 03-04. The second amendment in May 2005 increased budgeted disbursements by \$881,012, including increases of \$331,000 for mental health services, \$344,000 for roads and transportation and decreases in administration and physical health and social services.

Actual net disbursements for the year totaled \$23,383,096, which is \$3,284,085 less than budgeted. The major reason was unspent courthouse project funds. Actual net receipts for fiscal

year 2005 were \$24,033,362, which was \$1,173,516 less than budgeted due, in part, to a reclassification of 2005A capital loan note proceeds of \$756,000 (budgeted as miscellaneous receipts but reported as other financing sources).

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

At June 30, 2005, Dallas County had \$39,624,986 invested in a variety of capital assets, as reflected in Note 6 of the financial statements. This compared to \$36,994,147 at the end of fiscal year 2004 and \$35,521,499 (restated) at the end of fiscal 2003. The County's capital assets increased by \$2,630,839, or about 7%, over the prior year.

The following are the major additions to capital assets:

- Dallas County completed the renovation of the Human Services building at a cost of \$543,560.
- The Courthouse roof repair was completed at a cost of \$552,506.
- The construction of a Conservation Administration Building at a cost of \$505,706.
- Major purchases of machinery and equipment consisted of two motor graders for \$334,000.
- Land acquisition for \$99,514.
- Various capital road projects totaling \$1,291,725.

More detailed information about the County's capital assets is presented in Note 6 to the financial statements.

### **Long-Term Debt**

At June 30, 2005, Dallas County had \$9,342,033 in outstanding debt versus \$9,285,379 last year, a net change of \$56,654. The net change is a result of the County's capital loan note issuance of \$756,000 and retirement of \$675,000 of capital loan notes, a decrease in capital leases of \$30,419 and an increase in drainage warrants of \$6,073. Article XI, Section 3 of the Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the actual value of all taxable property within the County's corporate limits. Dallas County's outstanding general obligation debt is significantly below its constitutional debt limit. Additional information about the County's long term debt is presented in Note 8 to the financial statements.

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

Dallas County's elected and appointed officials and citizens considered numerous issues when setting the fiscal year 2006 budget and tax rates. In an ongoing effort to maintain County services without raising tax levies, the Dallas County Board of Supervisors are committed to limiting expenditure increases and using any available fund balances to provide services.

Dallas County is the fastest growing county in Iowa, ranked 10<sup>th</sup> in the nation for growth. Its population in 2000 was 40,750 compared to 47,846 in 2004, to a present day total of 50,179. The unemployment rate in Dallas County stands at 3.60% compared to Polk County at 4.40%.

Budgeted disbursements for the fiscal year 2006 operating budget are approximately \$36.7 million, as amended October of 2005, an increase of about \$8.1 million in spending from the prior year appropriations. This is mainly due to the renovation of the county courthouse. The adopted

2006 budget shows a net decrease in fund balance of approximately \$1 million. The budget estimates a total ending fund balance of \$10,959,174 at the close of fiscal year 2006.

#### **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Dallas County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Connie Kinnard at the Operations Administration Office, 801 Court Street, Adel, Iowa 50003-9998.



## **Basic Financial Statements**

**Exhibit A**

Dallas County  
Statement of Net Assets  
June 30, 2005

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and pooled investments	\$ 12,103,270
Receivables:	
Property tax:	
Delinquent	46,937
Succeeding year	12,249,000
Interest and penalty on property tax	66,369
Tax increment financing:	
Succeeding year	69,000
Accounts	167,811
Accrued interest	37,400
Drainage assessments:	
Delinquent	8,494
Succeeding year	20,619
Economic development loans	36,286
Due from other governments (net)	1,213,105
Inventories	365,157
Prepaid insurance	131,146
Capital assets (net of accumulated depreciation)	39,624,986
	<u>66,139,580</u>
<b>Total assets</b>	
<b>Liabilities</b>	
Accounts payable	769,477
Accrued interest payable	50,920
Salaries and benefits payable	433,958
Contracts payable	418,093
Due to other governments	584,384
Deferred revenue:	
Succeeding year property tax	12,249,000
Succeeding year tax increment financing	69,000
Long-term liabilities:	
Portion due or payable within one year:	
Capital lease purchase agreements	33,357
General obligation capital loan notes	715,000
Drainage warrants payable	31,091
Compensated absences	323,846
Portion due or payable after one year:	
Capital lease purchase agreements	36,585
General obligation capital loan notes	8,526,000
Compensated absences	267,186
	<u>24,507,897</u>
<b>Total liabilities</b>	
<b>Net Assets</b>	
Invested in capital assets, net of related debt	30,629,638
Restricted for:	
Supplemental levy purposes	1,242,464
Mental health purposes	167,340
Secondary roads purposes	2,187,818
Economic development loans	307,555
Debt service	287,188
Other purposes	1,171,447
Unrestricted	5,638,233
	<u>\$ 41,631,683</u>

See notes to financial statements.

Dallas County  
Statement of Activities  
Year ended June 30, 2005

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
<b>Functions/Programs:</b>					
Governmental activities:					
Public safety and legal services	\$ 4,420,969	991,797	142,597	-	(3,286,575)
Physical health and social services	2,285,548	934,615	565,211	-	(785,722)
Mental health	3,996,880	763,476	1,569,325	-	(1,664,079)
County environment and education	1,701,777	256,416	183,536	702,635	(559,190)
Roads and transportation	5,736,044	53,534	3,140,227	2,358,147	(184,136)
Governmental services to residents	917,423	1,213,371	7,448	-	303,396
Administration	3,175,621	130,741	64,659	834	(2,979,387)
Non-program	670,578	651,286	52,451	-	33,159
Interest on long-term debt	412,486	-	-	-	(412,486)
<b>Total</b>	<b>\$ 23,317,326</b>	<b>4,995,236</b>	<b>5,725,454</b>	<b>3,061,616</b>	<b>(9,535,020)</b>
<b>General Revenues:</b>					
Property and other county tax levied for:					
General purposes					11,506,014
Debt service					655,172
Tax increment financing					68,393
Penalty and interest on property tax					63,641
State tax credits					455,596
Grants and contributions not restricted to specific purpose					1,639
Unrestricted investment earnings					235,676
Miscellaneous					558
<b>Total general revenues</b>					<b>12,986,689</b>
Change in net assets					3,451,669
Net assets beginning of year					38,180,014
Net assets end of year					<b>\$ 41,631,683</b>

See notes to financial statements.

Dallas County  
Balance Sheet  
Governmental Funds

June 30, 2005

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
<b>Assets</b>				
Cash and pooled investments:				
County Treasurer	\$ 6,000,972	725,680	258,730	2,030,439
Conservation Foundation	-	-	-	-
Receivables:				
Property tax:				
Delinquent	27,159	3,588	14,265	-
Succeeding year	8,577,000	1,133,000	1,854,000	-
Interest and penalty on property tax	66,369	-	-	-
Tax increment financing:				
Succeeding year	-	-	-	-
Accounts	77,715	33,614	-	4,649
Accrued interest	33,081	-	-	-
Drainage assessments:				
Delinquent	-	-	-	-
Succeeding year	-	-	-	-
Economic development loans	-	-	-	-
Due from other funds	9,446	-	-	798
Due from other governments (net of allowance for doubtful ambulance accounts of \$149,621)	570,073	116,537	-	232,627
Interfund receivable	436,000	-	-	-
Inventories	102,182	-	-	262,975
Prepaid insurance	91,579	6,919	-	32,648
<b>Total assets</b>	<b>\$ 15,991,576</b>	<b>2,019,338</b>	<b>2,126,995</b>	<b>2,564,136</b>

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Capital Projects	Nonmajor	Total
943,290	1,621,930	11,581,041
-	117,150	117,150
-	1,925	46,937
-	685,000	12,249,000
-	-	66,369
-	69,000	69,000
27,038	16,902	159,918
614	3,180	36,875
-	8,494	8,494
-	20,619	20,619
-	36,286	36,286
-	-	10,244
293,868	-	1,213,105
-	-	436,000
-	-	365,157
-	-	131,146
<hr/>	<hr/>	<hr/>
1,264,810	2,580,486	26,547,341

Dallas County  
Balance Sheet  
Governmental Funds

June 30, 2005

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 188,810	109,611	6,731	121,295
Salaries and benefits payable	301,660	32,629	1,232	98,437
Contracts payable	-	-	-	-
Interfund payable	-	-	-	-
Due to other funds	779	9,411	19	35
Due to other governments	35,375	546,107	2,015	879
Deferred revenue:				
Succeeding year property tax	8,577,000	1,133,000	1,854,000	-
Succeeding year tax increment financing	-	-	-	-
Other	250,959	37,379	14,256	-
Total liabilities	9,354,583	1,868,137	1,878,253	220,646
Fund balances:				
Reserved for:				
Supplemental levy purposes	1,291,225	-	-	-
Debt financed projects	4,234	-	-	-
Room and board fees	25,058	-	-	-
Drainage projects	-	-	-	-
Debt service	-	-	-	-
Unreserved:				
Designated for special projects	1,339,370	-	-	210,000
Undesignated, reported in:				
General fund	3,977,106	-	-	-
Special revenue funds	-	151,201	248,742	2,133,490
Capital projects fund	-	-	-	-
Total fund balances	6,636,993	151,201	248,742	2,343,490
<b>Total liabilities and fund balances</b>	<b>\$ 15,991,576</b>	<b>2,019,338</b>	<b>2,126,995</b>	<b>2,564,136</b>

See notes to financial statements.

Capital Projects	Nonmajor	Total
99,357	3,335	529,139
-	-	433,958
418,093	-	418,093
436,000	-	436,000
-	-	10,244
-	8	584,384
-	685,000	12,249,000
-	69,000	69,000
293,868	67,304	663,766
1,247,318	824,647	15,393,584
-	-	1,291,225
-	-	4,234
-	-	25,058
-	4,383	4,383
-	330,810	330,810
-	235,000	1,784,370
-	-	3,977,106
-	1,185,646	3,719,079
17,492	-	17,492
17,492	1,755,839	11,153,757
1,264,810	2,580,486	26,547,341

**Dallas County**



Dallas County

Reconciliation of the Balance Sheet -  
Governmental Funds to the Statement of Net Assets

June 30, 2005

**Total governmental fund balances (page 21)** \$ 11,153,757

***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. The cost of assets is \$59,511,884 and the accumulated depreciation is \$19,886,898. 39,624,986

Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the funds. 663,766

The Internal Service Fund is used by management to charge the costs of partial self funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Assets. 173,159

Long-term liabilities, including capital lease purchase agreements payable, notes payable, drainage warrants payable, compensated absences payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the funds. (9,983,985)

**Net assets of governmental activities (page 16)** \$ 41,631,683

See notes to financial statements.

Dallas County

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

Year ended June 30, 2005

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
<b>Revenues:</b>				
Property and other county tax	\$ 8,649,217	1,040,469	1,873,754	-
Interest and penalty on property tax	157,069	-	-	-
Tax increment financing	-	-	-	-
Intergovernmental	2,388,978	2,141,075	83,959	3,537,548
Licenses and permits	200,819	-	-	11,880
Charges for service	1,918,863	-	-	388
Use of money and property	229,361	-	-	3,244
Miscellaneous	234,573	194,931	-	34,731
Total revenues	13,778,880	3,376,475	1,957,713	3,587,791
<b>Expenditures:</b>				
Operating:				
Public safety and legal services	4,154,451	-	-	-
Physical health and social services	2,281,967	-	-	-
Mental health	-	4,021,399	-	-
County environment and education	1,397,002	-	193,705	-
Roads and transportation	-	-	56,644	4,714,593
Governmental services to residents	821,765	-	-	-
Administration	2,582,284	-	-	-
Non-program	274,791	-	-	-
Debt service	403,605	-	-	-
Capital projects	16,170	-	-	263,445
Total expenditures	11,932,035	4,021,399	250,349	4,978,038
Excess (deficiency) of revenues over (under) expenditures	1,846,845	(644,924)	1,707,364	(1,390,247)
<b>Other financing sources (uses):</b>				
Operating transfers in	10,002	-	-	1,829,222
Operating transfers out	(120,211)	-	(1,709,001)	-
Capital loan notes issued	-	-	-	-
Stamped drainage warrants issued	-	-	-	-
Total other financing sources (uses)	(110,209)	-	(1,709,001)	1,829,222
Net change in fund balances	1,736,636	(644,924)	(1,637)	438,975
Fund balances beginning of year	4,900,357	796,125	250,379	1,904,515
Fund balances end of year	\$ 6,636,993	151,201	248,742	2,343,490

See notes to financial statements.

Capital Projects	Nonmajor	Total
-	659,889	12,223,329
-	-	157,069
-	68,393	68,393
373,252	160,597	8,685,409
-	-	212,699
12,042	35,027	1,966,320
6,844	136,883	376,332
34,636	141,638	640,509
426,774	1,202,427	24,330,060
-	81,446	4,235,897
-	1,682	2,283,649
-	-	4,021,399
-	42,081	1,632,788
-	-	4,771,237
-	42,018	863,783
-	-	2,582,284
-	11,284	286,075
-	682,683	1,086,288
1,765,541	125,814	2,170,970
1,765,541	987,008	23,934,370
(1,338,767)	215,419	395,690
-	68,381	1,907,605
-	(78,393)	(1,907,605)
756,000	-	756,000
-	6,073	6,073
756,000	(3,939)	762,073
(582,767)	211,480	1,157,763
600,259	1,544,359	9,995,994
17,492	1,755,839	11,153,757

Dallas County

Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances -  
Governmental Funds to the Statement  
of Activities

Year ended June 30, 2005

**Net change in fund balances - Total governmental funds (page 25)** \$ 1,157,763

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

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

Expenditures for capital assets	\$ 2,368,078	
Capital assets contributed by the Iowa Department of Transportation	2,187,592	
Depreciation expense	(1,889,889)	2,665,781

In the Statement of Activities, the gain on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the sale as an increase in financial resources. (34,942)

Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are deferred in the governmental funds, as follows:

Property tax	(60,414)	
Tax increment financing	(1,803)	
Other	(76,631)	(138,848)

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Current year issues exceeded repayments, as follows:

Issued	(762,073)	
Repaid	705,419	(56,654)

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, as follows:

Compensated absences	(58,072)	
Interest on long-term debt	(1,198)	(59,270)

The Internal Service Fund is used by management to charge the costs of partial self funding of the County's health insurance benefit plan to individual funds. The change in net assets of the Internal Service Fund is reported with governmental activities. (82,161)

**Change in net assets of governmental activities (page 17)** \$ 3,451,669

See notes to financial statements.

Dallas County  
 Statement of Net Assets  
 Proprietary Fund  
 June 30, 2005

	Internal Service - Employee Group Health
<b>Assets</b>	
Cash and cash equivalents	\$ 405,079
Receivables:	
Accounts	7,893
Accrued interest	525
<b>Total assets</b>	413,497
<b>Liabilities</b>	
Accounts payable	240,338
<b>Net Assets</b>	
Unrestricted	\$ 173,159

See notes to financial statements.

Dallas County  
Statement of Revenues, Expenses and  
Changes in Fund Net Assets  
Proprietary Fund

Year ended June 30, 2005

		<u>Internal Service - Employee Group Health</u>
Operating revenues:		
Reimbursements from operating funds		\$ 1,445,199
Reimbursements from employees		250,046
Insurance reimbursements		51,802
Total operating revenues		<u>1,747,047</u>
Operating expenses:		
Medical claims	\$1,554,997	
Administrative and other fees	<u>280,752</u>	<u>1,835,749</u>
Operating loss		(88,702)
Non-operating revenues:		
Interest income		6,541
Net loss		<u>(82,161)</u>
Net assets beginning of year		<u>255,320</u>
Net assets end of year		<u><u>\$ 173,159</u></u>

See notes to financial statements.

Dallas County  
Statement of Cash Flows  
Proprietary Fund  
Year ended June 30, 2005

	Internal Service - Employee Group Health
Cash flows from operating activities:	
Cash received from operating funds and other reimbursements	\$ 1,695,555
Cash received from insurance reimbursements	83,520
Cash paid to suppliers for services	(1,830,415)
Net cash used by operating activities	(51,340)
Cash flows from investing activities:	
Interest on investments	6,152
Net decrease in cash and cash equivalents	(45,188)
Cash and cash equivalents beginning of year	450,267
Cash and cash equivalents end of year	\$ 405,079
<b>Reconciliation of operating loss to net cash used by operating activities:</b>	
Operating loss	\$ (88,702)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Decrease in accounts receivable	32,028
Increase in accounts payable	5,334
Net cash used by operating activities	\$ (51,340)

See notes to financial statements.

Dallas County  
Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2005

**Assets**

## Cash and pooled investments:

County Treasurer	\$ 2,463,465
Other County officials	94,847

## Receivables:

## Property tax:

Delinquent	129,823
Succeeding year	59,512,000

Accounts	99,234
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Accrued interest	733
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Special assessments	1,650,000
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Due from other funds	2,056
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Due from other governments	12,537
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Prepaid insurance	3,924
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<b>Total assets</b>	<u>63,968,619</u>
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**Liabilities**

Accounts payable	6,085
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Salaries and benefits payable	21,687
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Due to other funds	2,056
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Due to other governments	63,787,383
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Trusts payable	102,678
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Compensated absences	48,730
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<b>Total liabilities</b>	<u>63,968,619</u>
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**Net assets**

\$	<u><u>-</u></u>
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See notes to financial statements.



Dallas County

Notes to Financial Statements

June 30, 2005

**(1) Summary of Significant Accounting Policies**

Dallas County is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Treasurer, Recorder, Sheriff and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance and general administrative services.

The County's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

A. Reporting Entity

For financial reporting purposes, Dallas County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County.

These financial statements present Dallas County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Blended Component Units – The following component units are entities which are legally separate from the County, but are so intertwined with the County that they are, in substance, the same as the County. They are reported as part of the County and blended into the appropriate funds.

Ninety-one drainage districts have been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although these districts are legally separate from the County, they are controlled, managed and supervised by the Dallas County Board of Supervisors. The drainage districts are reported as a Special Revenue Fund. Financial information of the individual drainage districts can be obtained from the Dallas County Auditor's Office.

The Dallas County Conservation Foundation has been incorporated under Chapter 504A of the Code of Iowa to receive donations for the benefit of the Dallas County Conservation Board. These donations are to be used to purchase items not included in the County's budget. The financial activity of the component unit has been blended as a Special Revenue Fund of the County.

Jointly Governed Organizations – The County 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: Dallas County Assessor's Conference Board, Dallas County Emergency Management Commission and the Dallas County Joint E911 Service 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.

The County also participates in the North Dallas Regional Solid Waste Planning Commission and the Dallas County Housing Trust, jointly governed organizations established pursuant to Chapters 28E and 504A, respectively, of the Code of Iowa.

#### B. Basis of Presentation

Government-wide Financial Statements – The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the County and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenues and other nonexchange transactions.

The Statement of Net 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 not meeting 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, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

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

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities.

Additionally, the County reports the following funds:

Proprietary Fund – An Internal Service Fund is utilized to account for the financing of goods or services purchased by one department of the County and provided to other departments or agencies on a cost reimbursement basis.

Fiduciary Funds – Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds.

### C. Measurement Focus and Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current 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.

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.

The proprietary fund of the County applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's Internal Service Fund is charges to customers for sales and services. Operating expenses for Internal Service Funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County maintains its financial records on the cash basis. The financial statements of the County are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities and Fund Equity

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

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

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

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is 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 become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2003 assessed property valuations; is for the tax accrual period July 1, 2004 through June 30, 2005 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2004.

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

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

Special Assessments Receivable – Special assessments receivable represent amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in not less than 10 nor more than 20 annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Special assessments receivable represent assessments which have been made but have not been collected.

Due from and Due to Other Funds – During the course of its operations, the County has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2005, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

Inventories – Inventories are valued at cost using the first-in, first-out method. Inventories in the 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 if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

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

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

Asset Class	Estimated Useful lives (In Years)
Buildings	10 - 50
Other improvements	10 - 35
Infrastructure	20 - 65
Equipment	2 - 50
Vehicles	3 - 20

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 unspent grant proceeds as well as property tax receivable and other receivables not collected within sixty days after year end.

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

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

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

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 not available for appropriation or legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net Assets – The net assets of the Internal Service, Employee Group Health Fund is designated for anticipated future catastrophic losses of the County.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. Disbursements in one department exceeded the appropriation prior to amendment.

**(2) Cash and Pooled Investments**

The County's deposits in banks at June 30, 2005 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The County is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$1,507,941 pursuant to Rule 2a-7 under the Investment Company Act of 1940. The investment in the Iowa Public Agency Investment Trust is unrated for credit risk purposes.

**(3) Economic Development Loans**

During prior years, the County loaned \$73,656 to two local businesses. The loan balances due at June 30, 2005 totaled \$36,286.

**(4) Due From/Due to Other Funds and Interfund Receivable/Payable**

Due From/Due to Other Funds:

The detail of interfund assets and liabilities at June 30, 2005 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Special Revenue:	
	Mental Health	\$ 9,411
	Secondary Roads	35
Special Revenue:	General	779
Secondary Roads	Special Revenue:	
	Rural Services	19
Total		<u>\$ 10,244</u>

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

Interfund Receivable/Payable:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Capital Projects	<u>\$ 436,000</u>



The interfund receivable/payable represents the remaining balance of an interfund loan to be repaid upon receipt of grant proceeds.

**(5) Interfund Transfers**

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

Transfer to	Transfer from	Amount
General	Special Revenue:	
	Tax Increment Financing	\$ 2
	Jail Room and Board Fees	10,000
Special Revenue: Secondary Roads	General	120,211
	Special Revenue:	
	Rural Services	1,709,001
	Tax Increment Financing	10
Debt Service	Special Revenue:	
	Tax Increment Financing	68,381
Total		<u>\$ 1,907,605</u>

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

**(6) Capital Assets**

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 3,354,530	99,514	-	3,454,044
Construction in progress	2,401,360	3,820,813	(3,362,847)	2,859,326
Total capital assets not being depreciated	<u>5,755,890</u>	<u>3,920,327</u>	<u>(3,362,847)</u>	<u>6,313,370</u>
Capital assets being depreciated:				
Buildings	13,093,963	2,119,970	(116,534)	15,097,399
Improvements other than buildings	150,998	10,490	-	161,488
Equipment and vehicles	8,373,889	752,805	(745,163)	8,381,531
Infrastructure, road network	28,266,371	1,291,725	-	29,558,096
Total capital assets being depreciated	<u>49,885,221</u>	<u>4,174,990</u>	<u>(861,697)</u>	<u>53,198,514</u>
Less accumulated depreciation for:				
Buildings	4,963,022	274,815	(30,299)	5,207,538
Improvements other than buildings	5,187	4,615	-	9,802
Equipment and vehicles	3,646,126	728,300	(619,656)	3,754,770
Infrastructure, road network	10,032,629	882,159	-	10,914,788
Total accumulated depreciation	<u>18,646,964</u>	<u>1,889,889</u>	<u>(649,955)</u>	<u>19,886,898</u>
Total capital assets being depreciated, net	<u>31,238,257</u>	<u>2,285,101</u>	<u>(211,742)</u>	<u>33,311,616</u>
Governmental activities capital assets, net	<u>\$ 36,994,147</u>	<u>6,205,428</u>	<u>(3,574,589)</u>	<u>39,624,986</u>

Depreciation expense was charged to the following functions:

Governmental activities:		
Public safety and legal services		\$ 252,692
Physical health and social services		18,759
Mental health		88,877
County environment and education		134,538
Roads and transportation		1,226,659
Governmental services to residents		36,945
Administration		131,419
		<u>131,419</u>
Total depreciation expense - governmental activities		<u>\$ 1,889,889</u>

**(7) Due to Other Governments**

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

Fund	Description	Amount
General	Services	\$ 35,375
Special Revenue:		
Mental Health	Services	546,107
Rural Services		2,015
Secondary Roads		879
Ambulance Trust		8
		<u>549,009</u>
Total for governmental funds		<u>\$ 584,384</u>
Agency:		
County Assessor	Collections	\$ 896,805
Schools		33,111,402
Community Colleges		1,265,674
Corporations		23,159,567
City Special Assessments		1,675,035
Auto License and Use Tax		1,171,209
All other		2,507,691
		<u>2,507,691</u>
Total for agency funds		<u>\$ 63,787,383</u>

**(8) Changes in Long-Term Liabilities**

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

	Capital Lease Purchase Agreements	General Obligation Capital Loan Notes	Drainage District Warrants	Compensated Absences	Total
Balance beginning of year	\$ 100,361	9,160,000	25,018	532,960	9,818,339
Increases	-	756,000	6,073	476,193	1,238,266
Decreases	30,419	675,000	-	418,121	1,123,540
Balance end of year	\$ 69,942	9,241,000	31,091	591,032	9,933,065
Due within one year	\$ 33,357	715,000	31,091	323,846	1,103,294

Capital Lease Purchase Agreements

The County has entered into capital lease purchase agreements to lease a phone system and skid loader. The following is a schedule of the future minimum lease payments, including interest at rates ranging from 5.25% to 9.66% per annum, and the present value of net minimum lease payments under the agreements in effect at June 30, 2005:

Year Ending June 30,	Phone System	Skid Loader	Total
2006	\$ 35,317	3,209	38,526
2007	35,317	3,209	38,526
Total minimum lease payments	70,634	6,418	77,052
Less amount representing interest	(6,638)	(472)	(7,110)
Present value of net minimum lease payments	\$ 63,996	5,946	69,942

The book value of assets acquired under capital leases totaled \$69,954. Payments under capital lease purchase agreements for the year ended June 30, 2005 totaled \$38,526.

General Obligation Capital Loan Notes

A summary of the County's June 30, 2005 general obligation capital loan notes is as follows:

Year Ending June 30,	Series 1993 Issued December 1, 1993			Series 2000A Issued August 1, 2000		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2006	4.70%	\$ 220,000	10,340	-	-	98,808
2007	-	-	-	-	-	98,808
2008	-	-	-	-	-	98,808
2009	-	-	-	5.00%	\$ 45,000	98,808
2010	-	-	-	5.00	65,000	96,557
2011-2015	-	-	-	5.00-5.20	685,000	410,370
2016-2020	-	-	-	5.25-5.40	1,095,000	184,471
Total		\$ 220,000	10,340		\$ 1,890,000	1,086,630

Year Ending June 30,	Series 2001A			Series 2002A		
	Issued May 1, 2001			Issued March 1, 2002		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2006	4.05%	\$ 390,000	32,605		-	106,050
2007	4.10	410,000	16,810		-	106,050
2008		-	-	4.25%	\$ 235,000	106,050
2009		-	-	4.25	200,000	96,062
2010		-	-	4.25	195,000	87,563
2011-2015		-	-	4.25-4.75	815,000	319,275
2016-2020		-	-	4.75-5.00	855,000	129,525
Total		\$ 800,000	49,415		\$ 2,300,000	950,575

Year Ending June 30,	Series 2002B			Series 2002C		
	Issued April 1, 2002			Issued December 15, 2002		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2006	3.50%	\$ 105,000	70,105		\$ -	60,660
2007	3.80	105,000	66,430	2.75%	65,000	60,660
2008	4.00	110,000	62,440	3.05	260,000	58,873
2009	4.15	115,000	58,040	3.30	270,000	50,942
2010	4.30	120,000	53,268	3.50	275,000	42,033
2011-2015	4.45-5.00	680,000	180,937	3.70-3.95	850,000	64,552
2016-2020	5.00	320,000	24,250		-	-
Total		\$ 1,555,000	515,470		\$ 1,720,000	337,720

Year Ending June 30,	Series 2005			Total		
	Issued April 19, 2005					
	Interest Rates	Principal	Interest	Principal	Interest	Total
2006		\$ -	-	\$ 715,000	378,568	1,093,568
2007	4.35%	756,000	69,473	1,336,000	418,231	1,754,231
2008		-	-	605,000	326,171	931,171
2009		-	-	630,000	303,852	933,852
2010		-	-	655,000	279,421	934,421
2011-2015		-	-	3,030,000	975,134	4,005,134
2016-2020		-	-	2,270,000	338,246	2,608,246
Total		\$ 756,000	69,473	\$ 9,241,000	3,019,623	12,260,623

During the year ended June 30, 2005, the County issued \$756,000 and retired \$675,000 of general obligation capital loan notes.

### Drainage Warrants

Drainage warrants are warrants which are legally drawn on drainage district funds but are not paid for lack of funds, in accordance with Chapter 74 of the Code of Iowa. The warrants bear interest at rates in effect at the time the warrants are first presented. Warrants will be paid as funds are available.

Drainage warrants are paid from the Special Revenue Fund solely from drainage assessments against benefited properties.

### **(9) Pension and Retirement Benefits**

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

Most regular plan members are required to contribute 3.70% of their annual covered salary and the County is required to contribute 5.75% 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, 2005, 2004 and 2003 were \$485,440, \$475,974 and \$450,541, respectively, equal to the required contributions for each year.

### **(10) Risk Management**

Dallas County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool with over 509 members from various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property and inland marine. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained to equal 300 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's contributions to the Pool for the year ended June 30, 2005 were \$259,163.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$250,000 per claim. Claims exceeding \$250,000 are reinsured in an amount not to exceed \$1,750,000 per claim and \$5,000,000 in the aggregate per year. For members requiring specific coverage from \$2,000,000 to \$10,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$100,000 each occurrence, each location, with excess coverage reinsured on an individual-member basis.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event 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, 2005, no liability has been recorded in the County's financial statements. As of June 30, 2005, settled claims have not exceeded the risk pool or reinsurance coverage since the pool's inception.

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

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$1,000,000 and \$25,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

#### **(11) Employee Health Insurance Plan**

The Internal Service, Employee Group Health Fund was established to account for the partial self funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with American Administrators. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of \$40,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to American Administrators from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2005 was \$1,445,199.

Amounts payable from the Employee Group Health Fund at June 30, 2005 total \$229,450, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior year and current year claims and to establish a reserve for catastrophic losses. That reserve was \$173,159 at June 30, 2005 and is reported as a designation of the Internal Service, Employee Group Health Fund net assets. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid claims beginning of year	\$ 204,118
Incurred claims (including claims incurred but not reported at June 30, 2005)	1,554,997
Payment on claims during the fiscal year	<u>(1,529,665)</u>
Unpaid claims end of year	<u>\$ 229,450</u>

**(12) Hospital Revenue Bonds**

The County issued \$4,600,000 of revenue bonds for the purpose of lending the proceeds to Hospital Fund, Inc. The proceeds will be used for the construction of a congregate housing facility for seniors on the campus of the Dallas County Hospital. The bonds are payable solely from hospital revenues and do not constitute a liability of the County.

**(13) Industrial Development Revenue Bonds**

The County has issued a total of \$13,000,000 of industrial development revenue bonds under the provisions of Chapter 419 of the Code of Iowa. The bonds and related interest are payable solely from the revenues derived and the bond principal and interest do not constitute liabilities of the County.

**(14) Economic Development Agreements**

In November 2003, Dallas County entered into a 28E agreement with the City of West Des Moines to aid in the financing of an economic development project. The project will be financed through tax increment financing by the City as well as additional funding granted through the County as determined in the 28E agreement. The agreement begins in fiscal 2004 and continues through fiscal 2009. Payments totaling \$299,071 were made to the City of West Des Moines under the terms of this 28E agreement during the year ended June 30, 2005.

In November 2003, the County entered into a private development agreement with the City of DeSoto and Oak Hill Plantation, L.C. The County agreed to make certain economic development grants to the developer to reimburse the developer for a portion of the cost of public improvements constructed. The grant payments to be made equal 50% of the tax increment financing collected by the County, but shall not exceed the actual cost of the public improvements or \$5,500,000. No payments were made to the developer under the terms of this agreement during the year ended June 30, 2005.

**(15) Pending Litigation**

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

**(16) Operating Leases**

The County entered into two leases during the fiscal year ended June 30, 2005. The County is leasing modular units and office space for use during the renovation of the courthouse. The leases have been classified as operating leases and, accordingly, all rents are charged to expenses as incurred. The leases expire during the fiscal year ending June 30, 2007.

The following is a schedule of future minimum rental payments required under operating leases which have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2005:

Year ending June 30,	Amount
2006	\$ 95,040
2007	47,520
Total	<u>\$ 142,560</u>

Rental expense for the year ended June 30, 2005 for all operating leases, except those with terms of a month or less that were not renewed, totaled \$47,520.

**(17) County Farm Lease**

The County owned and operated the Dallas County Farm (Farm) through March 31, 2005. Effective April 1, 2005, the County entered into a three-year lease with Des Moines Area Community College (DMACC) where DMACC will operate the Farm. The County will receive \$36,175 in land and building rent annually.



**(18) Designated Fund Equity**

The County has designated amounts from the General, Secondary Roads, County Sheriff Forfeiture and Conservation Land Acquisition Funds for special projects. At June 30, 2005, the amounts designated are as follows:

<u>Description</u>	<u>Amount</u>
General:	
Sewer system hook-up at Care Facility	\$ 28,000
Information technology software and hardware	64,600
Phone system	51,500
Construction projects	1,103,647
Equipment	30,963
Miscellaneous	60,660
	<u>1,339,370</u>
Secondary Roads:	
Consulting; flood/erosion control and right of way	<u>210,000</u>
County Sheriff Forfeiture:	
Mobile data system	<u>225,000</u>
Conservation Land Acquisition:	
GAR building project	<u>10,000</u>
Total	<u>\$ 1,784,370</u>

**(19) Subsequent Event**

The County issued \$9,000,000 of general obligation bonds, Series 2005B on December 15, 2005 for the renovation of the Courthouse and redemption of \$756,000 of general obligation capital loan notes, Series 2005, dated April 19, 2005.

**Dallas County**

**Required Supplementary Information**

Dallas County

Budgetary Comparison Schedule of  
Receipts, Disbursements and Changes in Balances -  
Budget and Actual (Cash Basis) – All Governmental Funds

Required Supplementary Information

Year ended June 30, 2005

	Actual	Less Funds not Required to be Budgeted	Net
<b>Receipts:</b>			
Property and other county tax	\$ 12,292,312	-	12,292,312
Interest and penalty on property tax	157,310	-	157,310
Intergovernmental	8,576,097	-	8,576,097
Licenses and permits	209,584	-	209,584
Charges for service	1,934,668	-	1,934,668
Use of money and property	350,193	170	350,023
Miscellaneous	577,181	63,813	513,368
Total receipts	<u>24,097,345</u>	<u>63,983</u>	<u>24,033,362</u>
<b>Disbursements:</b>			
Public safety and legal services	4,250,085	-	4,250,085
Physical health and social services	2,263,505	-	2,263,505
Mental health	3,975,965	-	3,975,965
County environment and education	1,605,781	38,062	1,567,719
Roads and transportation	4,703,841	-	4,703,841
Governmental services to residents	851,271	-	851,271
Administration	2,639,998	-	2,639,998
Non-program	249,939	11,284	238,655
Debt service	1,086,288	-	1,086,288
Capital projects	1,805,769	-	1,805,769
Total disbursements	<u>23,432,442</u>	<u>49,346</u>	<u>23,383,096</u>
Excess (deficiency) of receipts over (under) disbursements	664,903	14,637	650,266
Other financing sources, net	762,073	6,073	756,000
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	1,426,976	20,710	1,406,266
Balance beginning of year	10,271,215	163,793	10,107,422
Balance end of year	<u>\$ 11,698,191</u>	<u>184,503</u>	<u>11,513,688</u>

See accompanying independent auditor's report.

Budgeted Amounts		Final to Net Variance
Original	Final	
12,745,111	12,775,111	(482,799)
31,500	65,500	91,810
7,828,408	8,590,094	(13,997)
180,947	188,397	21,187
1,796,050	1,861,520	73,148
223,102	257,941	92,082
428,190	1,468,315	(954,947)
<u>23,233,308</u>	<u>25,206,878</u>	<u>(1,173,516)</u>
4,357,528	4,573,194	323,109
2,601,012	2,588,966	325,461
3,616,240	4,026,240	50,275
1,701,869	1,738,853	171,134
4,671,316	5,015,316	311,475
872,538	964,936	113,665
3,321,686	3,462,692	822,694
212,787	252,297	13,642
1,086,538	1,086,538	250
1,125,014	2,958,149	1,152,380
<u>23,566,528</u>	<u>26,667,181</u>	<u>3,284,085</u>
(333,220)	(1,460,303)	2,110,569
-	-	756,000
(333,220)	(1,460,303)	2,866,569
<u>7,363,511</u>	<u>9,990,864</u>	<u>116,558</u>
<u>7,030,291</u>	<u>8,530,561</u>	<u>2,983,127</u>

Dallas County  
 Budgetary Comparison Schedule - Budget to GAAP Reconciliation  
 Required Supplementary Information  
 Year ended June 30, 2005

	Governmental Funds		
	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis
Revenues	\$ 24,097,345	232,715	24,330,060
Expenditures	23,432,442	501,928	23,934,370
Net	664,903	(269,213)	395,690
Other financing sources, net	762,073	-	762,073
Beginning fund balances	10,271,215	(275,221)	9,995,994
Ending fund balances	\$ 11,698,191	(544,434)	11,153,757

See accompanying independent auditor's report.

Dallas County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2005

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except blended component units, the Internal Service Fund and Agency Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon 10 major classes of expenditures known as functions, not by fund or fund type. These 10 functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$3,100,653. The budget amendments are reflected in the final budgeted amounts.

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

During the year ended June 30, 2005, disbursements did not exceed the amounts budgeted by function. Disbursements in one department exceeded the amount appropriated prior to amendment.

**Dallas County**



**Other Supplementary Information**

Dallas County  
Combining Balance Sheet  
Nonmajor Governmental Funds

June 30, 2005

	Tax Increment Financing	Supplemental Environmental Projects	County Sheriff Forfeiture	County Attorney Forfeiture	Courthouse Restoration	County Recorder's Records Management	Facility Maintenance Dallas County Care Facility	Economic Development	County Recorder's Electronic Transaction
<b>Assets</b>									
Cash and pooled investments:									
County Treasurer	\$ -	1,000	433,227	39,312	7,029	89,347	32,000	269,979	2,387
Conservation Foundation	-	-	-	-	-	-	-	-	-
Receivables:									
Property tax:									
Delinquent	-	-	-	-	-	-	-	-	-
Succeeding year	-	-	-	-	-	-	-	-	-
Tax increment financing:									
Succeeding year	69,000	-	-	-	-	-	-	-	-
Accounts	-	-	12,042	-	12	-	4,000	-	-
Accrued interest	-	-	-	-	3	37	-	1,290	4
Drainage assessments:									
Delinquent	-	-	-	-	-	-	-	-	-
Succeeding year	-	-	-	-	-	-	-	-	-
Economic development loans	-	-	-	-	-	-	-	36,286	-
<b>Total assets</b>	<b>\$ 69,000</b>	<b>1,000</b>	<b>445,269</b>	<b>39,312</b>	<b>7,044</b>	<b>89,384</b>	<b>36,000</b>	<b>307,555</b>	<b>2,391</b>
<b>Liabilities and Fund Equity</b>									
Liabilities:									
Accounts payable	\$ -	-	2,535	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-
Deferred revenue:									
Succeeding year property tax	-	-	-	-	-	-	-	-	-
Succeeding year tax increment financing	69,000	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	36,286	-
Total liabilities	<b>69,000</b>	<b>-</b>	<b>2,535</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,286</b>	<b>-</b>
Fund equity:									
Fund balances:									
Reserved for:									
Drainage projects	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Unreserved:									
Designated for special projects	-	-	225,000	-	-	-	-	-	-
Undesignated	-	1,000	217,734	39,312	7,044	89,384	36,000	271,269	2,391
Total fund equity	<b>-</b>	<b>1,000</b>	<b>442,734</b>	<b>39,312</b>	<b>7,044</b>	<b>89,384</b>	<b>36,000</b>	<b>271,269</b>	<b>2,391</b>
<b>Total liabilities and fund equity</b>	<b>\$ 69,000</b>	<b>1,000</b>	<b>445,269</b>	<b>39,312</b>	<b>7,044</b>	<b>89,384</b>	<b>36,000</b>	<b>307,555</b>	<b>2,391</b>

See accompanying independent auditor's report.

Special Revenue												
Resource												
Enhancement and Protection	Sheriff's Office Grant	Jail Commissary	Conservation Conditional Use	Drainage District	Conservation Land Acquisition	Ambulance Trust	Public Health Nurse Trust	Ortonville Sewer	Conservation Foundation	Debt Service		Total
53,856	7	3,526	169,090	67,353	94,248	13,598	12,870	3,350	-	329,751		1,621,930
-	-	-	-	-	-	-	-	-	117,150	-		117,150
-	-	-	-	-	-	-	-	-	-	1,925		1,925
-	-	-	-	-	-	-	-	-	-	685,000		685,000
-	-	-	-	-	-	-	-	-	-	-		69,000
-	-	-	-	-	-	-	-	848	-	-		16,902
58	-	-	749	-	-	-	-	-	-	1,039		3,180
-	-	-	-	8,494	-	-	-	-	-	-		8,494
-	-	-	-	20,619	-	-	-	-	-	-		20,619
-	-	-	-	-	-	-	-	-	-	-		36,286
53,914	7	3,526	169,839	96,466	94,248	13,598	12,870	4,198	117,150	1,017,715		2,580,486
-	-	-	-	-	-	-	-	800	-	-		3,335
-	-	-	-	-	-	8	-	-	-	-		8
-	-	-	-	-	-	-	-	-	-	685,000		685,000
-	-	-	-	-	-	-	-	-	-	-		69,000
-	-	-	-	29,113	-	-	-	-	-	1,905		67,304
-	-	-	-	29,113	-	8	-	800	-	686,905		824,647
-	-	-	-	4,383	-	-	-	-	-	-		4,383
-	-	-	-	-	-	-	-	-	-	330,810		330,810
-	-	-	-	-	10,000	-	-	-	-	-		235,000
53,914	7	3,526	169,839	62,970	84,248	13,590	12,870	3,398	117,150	-		1,185,646
53,914	7	3,526	169,839	67,353	94,248	13,590	12,870	3,398	117,150	330,810		1,755,839
53,914	7	3,526	169,839	96,466	94,248	13,598	12,870	4,198	117,150	1,017,715		2,580,486

Dallas County

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

Year ended June 30, 2005

	Tax Increment Financing	Supplemental Environmental Projects	County Sheriff Forfeiture	County Attorney Forfeiture	Courthouse Restoration	County Recorder's Records Management	Facility Maintenance Dallas County Care Facility	Economic Development	County Recorder's Electronic Transaction
<b>Revenues:</b>									
Property and other county tax	\$ -	-	-	-	-	-	-	-	-
Tax increment financing	68,393	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for service	-	-	-	-	-	20,830	-	-	14,197
Use of money and property	-	-	-	-	8	350	24,000	5,519	158
Miscellaneous	-	-	48,542	5,879	238	-	-	17,376	-
Total revenues	68,393	-	48,542	5,879	246	21,180	24,000	22,895	14,355
<b>Expenditures:</b>									
Operating:									
Public safety and legal services	-	-	79,131	53	-	-	-	-	-
Physical health and social services	-	-	-	-	-	-	-	-	-
County environment and education	-	-	-	-	-	-	-	-	-
Governmental services to residents Non-program	-	-	-	-	-	7,305	-	-	34,713
Debt service	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-
Total expenditures	-	-	79,131	53	-	7,305	-	-	34,713
Excess (deficiency) of revenues over (under) expenditures	68,393	-	(30,589)	5,826	246	13,875	24,000	22,895	(20,358)
<b>Other financing sources (uses):</b>									
Operating transfers in	-	-	-	-	-	-	-	-	-
Operating transfers out	(68,393)	-	-	-	-	-	-	-	-
Stamped drainage warrants issued	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(68,393)	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	(30,589)	5,826	246	13,875	24,000	22,895	(20,358)
Fund balances beginning of year	-	1,000	473,323	33,486	6,798	75,509	12,000	248,374	22,749
Fund balances end of year	\$ -	1,000	442,734	39,312	7,044	89,384	36,000	271,269	2,391

See accompanying independent auditor's report.

Special Revenue													
Resource	Jail												
Enhancement and Protection	Sheriff's Office Grant	Room and Board Fees	Jail Commissary	Conservation Conditional Use	Drainage District	Conservation Land Acquisition	Ambulance Trust	Public Health Nurse Trust	Ortonville Sewer	Conservation Foundation	Debt Service		Total
-	-	-	-	-	-	-	-	-	-	-	659,889	-	659,889
-	-	-	-	-	-	-	-	-	-	-	-	-	68,393
116,085	-	-	-	-	-	21,536	-	-	-	-	22,976	-	160,597
-	-	-	-	-	-	-	-	-	-	-	-	-	35,027
371	-	-	-	64,987	-	22,885	-	-	-	170	18,435	-	136,883
-	-	-	-	-	3,735	-	844	1,193	3,753	60,078	-	-	141,638
116,456	-	-	-	64,987	3,735	44,421	844	1,193	3,753	60,248	701,300	-	1,202,427
-	-	-	825	-	-	-	1,437	-	-	-	-	-	81,446
-	-	-	-	-	-	-	-	1,682	-	-	-	-	1,682
-	-	-	-	-	-	-	-	-	4,019	38,062	-	-	42,081
-	-	-	-	-	11,284	-	-	-	-	-	-	-	42,018
-	-	-	-	-	-	-	-	-	-	-	-	-	11,284
101,680	-	-	-	-	-	24,134	-	-	-	-	682,683	-	682,683
101,680	-	-	825	-	11,284	24,134	1,437	1,682	4,019	38,062	682,683	-	125,814
14,776	-	-	(825)	64,987	(7,549)	20,287	(593)	(489)	(266)	22,186	18,617	-	215,419
-	-	-	-	-	-	-	-	-	-	-	68,381	-	68,381
-	-	(10,000)	-	-	-	-	-	-	-	-	-	-	(78,393)
-	-	-	-	-	6,073	-	-	-	-	-	-	-	6,073
-	-	(10,000)	-	-	6,073	-	-	-	-	-	68,381	-	(3,939)
14,776	-	(10,000)	(825)	64,987	(1,476)	20,287	(593)	(489)	(266)	22,186	86,998	-	211,480
39,138	7	10,000	4,351	104,852	68,829	73,961	14,183	13,359	3,664	94,964	243,812	-	1,544,359
53,914	7	-	3,526	169,839	67,353	94,248	13,590	12,870	3,398	117,150	330,810	-	1,755,839

Dallas County  
 Combining Schedule of Fiduciary Assets and Liabilities  
 Agency Funds

June 30, 2005

	County Offices	Agricultural Extension Education	County Assessor	Schools	Community Colleges	Corpor- ations
<b>Assets</b>						
Cash and pooled investments:						
County Treasurer	\$ -	1,258	297,695	274,212	9,709	198,426
Other County officials	94,847	-	-	-	-	-
Receivables:						
Property tax:						
Delinquent	-	456	2,097	96,190	3,965	20,141
Succeeding year	-	162,000	662,000	32,741,000	1,252,000	22,941,000
Accounts	13,818	-	-	-	-	-
Accrued interest	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Prepaid insurance	-	-	319	-	-	-
<b>Total assets</b>	<b>\$ 108,665</b>	<b>163,714</b>	<b>962,111</b>	<b>33,111,402</b>	<b>1,265,674</b>	<b>23,159,567</b>
<b>Liabilities</b>						
Accounts payable	\$ -	-	1,613	-	-	-
Salaries and benefits payable	-	-	18,834	-	-	-
Due from other funds	2,056	-	-	-	-	-
Due to other governments	92,377	163,714	896,805	33,111,402	1,265,674	23,159,567
Trusts payable	14,232	-	-	-	-	-
Compensated absences	-	-	44,859	-	-	-
<b>Total liabilities</b>	<b>\$ 108,665</b>	<b>163,714</b>	<b>962,111</b>	<b>33,111,402</b>	<b>1,265,674</b>	<b>23,159,567</b>

See accompanying independent auditor's report.

Townships	City Special Assess- ments	Auto License and Use Tax	Other	Total
3,040	25,035	1,171,209	482,881	2,463,465
-	-	-	-	94,847
2,547	-	-	4,427	129,823
335,000	-	-	1,419,000	59,512,000
-	-	-	85,416	99,234
-	-	-	733	733
-	1,650,000	-	-	1,650,000
-	-	-	2,056	2,056
-	-	-	12,537	12,537
-	-	-	3,605	3,924
<b>340,587</b>	<b>1,675,035</b>	<b>1,171,209</b>	<b>2,010,655</b>	<b>63,968,619</b>
-	-	-	4,472	6,085
-	-	-	2,853	21,687
-	-	-	-	2,056
340,587	1,675,035	1,171,209	1,911,013	63,787,383
-	-	-	88,446	102,678
-	-	-	3,871	48,730
<b>340,587</b>	<b>1,675,035</b>	<b>1,171,209</b>	<b>2,010,655</b>	<b>63,968,619</b>

Dallas County

Combining Schedule of Changes in Fiduciary Assets and Liabilities  
Agency Funds

Year ended June 30, 2005

	County Offices	Agricultural Extension Education	County Assessor	Schools
<b>Assets and Liabilities</b>				
Balances beginning of year	\$ 127,151	132,054	836,304	30,237,634
Additions:				
Property and other county tax	-	161,773	662,543	32,746,787
E911 surcharge	-	-	-	-
State tax credits	-	4,705	23,638	1,061,750
Drivers license fees	-	-	-	-
Office fees and collections	1,955,038	-	463	-
Electronic transaction fees	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	929,753	-	-	-
Miscellaneous	-	10	73	2,430
Total additions	2,884,791	166,488	686,717	33,810,967
Deductions:				
Agency remittances:				
To other funds	1,026,308	-	-	-
To other governments	940,971	134,828	560,910	30,937,199
Trusts paid out	935,998	-	-	-
Total deductions	2,903,277	134,828	560,910	30,937,199
Balances end of year	\$ 108,665	163,714	962,111	33,111,402

See accompanying independent auditor's report.



Community Colleges	Corporations	Townships	City Special Assess- ments	Auto License and Use Tax	Other	Total
1,016,181	20,303,961	296,454	2,018,908	1,044,377	1,796,114	57,809,138
1,253,928	22,675,309	344,339	-	-	1,397,768	59,242,447
-	-	-	-	-	250,156	250,156
36,311	615,501	13,212	-	-	45,742	1,800,859
-	-	-	-	211,376	-	211,376
-	-	-	-	-	-	1,955,501
-	-	-	-	-	20,846	20,846
-	-	-	-	12,836,798	-	12,836,798
-	-	-	162,155	-	-	162,155
-	-	-	-	-	479,017	1,408,770
81	2,344	-	-	-	312,344	317,282
1,290,320	23,293,154	357,551	162,155	13,048,174	2,505,873	78,206,190
-	-	-	-	465,980	39	1,492,327
1,040,827	20,437,548	313,418	506,028	12,455,362	1,852,328	69,179,419
-	-	-	-	-	438,965	1,374,963
1,040,827	20,437,548	313,418	506,028	12,921,342	2,291,332	72,046,709
1,265,674	23,159,567	340,587	1,675,035	1,171,209	2,010,655	63,968,619

**Schedule 5**

## Dallas County

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

For the Last Six Years

	Modified Accrual Basis					
	2005	2004	2003	2002	2001	2000
<b>Revenues:</b>						
Property and other county tax	\$ 12,223,329	12,607,687	12,032,172	11,039,642	9,881,176	8,941,962
Interest and penalty on property tax	157,069	121,381	115,161	124,755	95,133	84,910
Tax increment financing	68,393	41,064	31,994	24,008	41,069	32,546
Intergovernmental	8,685,409	8,156,106	7,904,433	8,281,991	8,926,732	7,593,168
Licenses and permits	212,699	187,435	179,451	149,465	144,663	173,026
Charges for service	1,966,320	1,797,483	1,730,355	1,480,991	1,388,435	1,181,885
Use of money and property	376,332	243,537	321,119	327,598	473,574	329,929
Miscellaneous	640,509	1,068,399	1,090,338	535,315	836,748	742,445
<b>Total</b>	<b>\$ 24,330,060</b>	<b>24,223,092</b>	<b>23,405,023</b>	<b>21,963,765</b>	<b>21,787,530</b>	<b>19,079,871</b>
<b>Expenditures:</b>						
<b>Operating:</b>						
Public safety and legal services	\$ 4,235,897	4,141,707	4,348,165	3,782,743	3,667,036	3,595,982
Physical health and social service	2,283,649	2,347,396	2,260,699	2,427,581	3,142,956	3,058,837
Mental health	4,021,399	3,892,605	3,541,726	3,541,905	3,286,486	2,956,813
County environment and education	1,632,788	1,460,257	1,370,639	1,387,881	1,666,743	1,278,909
Roads and transportation	4,771,237	4,856,470	4,692,586	4,405,522	4,242,934	4,382,680
Governmental services to residents	863,783	740,936	944,689	692,597	616,099	579,149
Administration	2,582,284	2,744,922	2,715,171	2,630,155	2,159,302	2,057,475
Non-program	286,075	287,288	367,328	369,459	815,834	346,023
Debt service	1,086,288	1,084,659	1,103,312	730,587	706,938	478,968
Capital projects	2,170,970	2,200,176	3,732,903	2,896,180	2,582,424	759,486
<b>Total</b>	<b>\$ 23,934,370</b>	<b>23,756,416</b>	<b>25,077,218</b>	<b>22,864,610</b>	<b>22,886,752</b>	<b>19,494,322</b>

See accompanying independent auditor's report.

**Dallas County**

**Schedule 6**

## Dallas County

## Schedule of Expenditures of Federal Awards

Year ended June 30, 2005

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Direct:			
U.S. Department of Justice:			
Bulletproof Vest Partnership Program	16.607		\$ 650
Public Safety Partnership and Community Policing Grants	16.710	2002UMWX0145	24,300
U.S. Department of the Interior:			
Payments in Lieu of Taxes	15.226		1,125
Total direct			<u>26,075</u>
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
State Administrative Matching Grants for Food Stamp Program	10.561		19,303
U.S. Department of Justice:			
Iowa Department of Justice - Crime Victim Assistance Division:			
Violence Against Women Formula Grants	16.588	VW-05-02	2,232
Governor's Office of Drug Control Policy:			
Byrne Formula Grant Program (\$25,500 provided to subrecipients)	16.579	04F-0460	25,500
Local Law Enforcement Block Grants Program	16.592	02LE-0146	2,771
Iowa Department of Human Services - Boone / Dallas County Decategorization:			
Enforcing Underage Drinking Laws Program	16.727	07-JD03-F504	2,542
U.S. Department of Transportation:			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	STP-ES-C025(50)--8I-25	1,386
Highway Planning and Construction	20.205	BROS-C025(57)--8J-25	170,555
Highway Planning and Construction	20.205	NRT-NT04(2)-9G-25	298,263
Highway Planning and Construction	20.205	STP-E-C025(54)--8V-25	381,400
			<u>851,604</u>
Iowa Department of Public Safety - Governor's Traffic Safety Bureau:			
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	PAP 04-163-Task 19	4,489
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	PAP 05-163-Task 20	1,887
			<u>6,376</u>

Dallas County  
 Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2005

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Indirect (continued):			
National Endowment for the Arts:			
Iowa Department of Cultural Affairs - Iowa Arts Council:			
Promotion of the Arts - Partnership Agreements	45.025	FY05-0020	7,200
National Endowment for the Humanities:			
Humanities Iowa:			
Promotion of the Humanities - Federal/State Partnership	45.129	26-2-005	4,562
U.S. Department of Health and Human Services:			
Iowa Department of Public Health:			
Public Health and Social Services Emergency Fund	93.003	5885EM113	4,039
State Rural Hospital Flexibility Program	93.241	5884EM22	2,241
Community Opportunities, Inc:			
Immunization Grants	93.268	5885I438	4,791
Immunization Grants	93.268	5884I438	3,314
			8,105
Grinnell Regional Public Health:			
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	5885BT01	26,828
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	5884BT01	2,522
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283		9,989
			39,339
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Temporary Assistance for Needy Families	93.558		25,705
Refugee and Entrant Assistance - State Administered Programs	93.566		23
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		5,107
Foster Care - Title IV-E	93.658		13,354
Adoption Assistance	93.659		3,194
Medical Assistance Program	93.778		27,496
Social Services Block Grant	93.667		18,166
Social Services Block Grant	93.667		109,216
			127,382

**Schedule 6**

Dallas County  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2005

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Indirect (continued):			
U.S. Department of Homeland Security:			
Iowa Department of Public Defense - Iowa Homeland Security and Emergency Management Division:			
Homeland Security Grant Program	97.004		152,722
Public Assistance Grants	97.036		252,402
Emergency Management Performance Grants	97.042		21,078
Total indirect			1,604,277
Total			<u>\$ 1,630,352</u>

**Basis of Presentation** – The Schedule of Expenditures of Federal Awards includes the federal grant activity of Dallas County and is presented on the modified accrual basis of accounting. The information 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.

See accompanying independent auditor's report.



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

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Independent Auditor's Report on  
Internal Control over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance with  
Government Auditing Standards

To the Officials of Dallas County:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Dallas County, Iowa, as of and for the year ended June 30, 2005, which collectively comprise the County's basic financial statements listed in the table of contents, and have issued our report thereon dated December 20, 2005. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we believe item II-A-05 is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dallas County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.


Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2005 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.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Dallas County and other parties to whom Dallas 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 Dallas County during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



DAVID A. VAUDT, CPA  
Auditor of State



WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

December 20, 2005



**Independent Auditor's Report on Compliance with Requirements Applicable  
to Each Major Program and on Internal Control over Compliance  
in Accordance with OMB Circular A-133**

**Dallas County**



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

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Independent Auditor's 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 Dallas County:

Compliance

We have audited the compliance of Dallas 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 its major federal program for the year ended June 30, 2005. Dallas County's major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its major federal program is the responsibility of Dallas County's management. Our responsibility is to express an opinion on Dallas County's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Dallas County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Dallas County's compliance with those requirements.

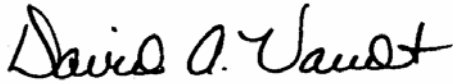
In our opinion, Dallas County complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2005.

Internal Control Over Compliance

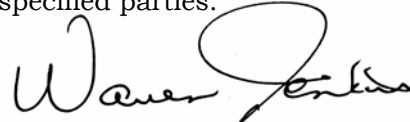
The management of Dallas County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered Dallas County's internal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

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

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Dallas County and other parties to whom Dallas 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.



DAVID A. VAUDT, CPA  
Auditor of State



WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

December 20, 2005

Dallas County  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2005

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

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

Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2005

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

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITIONS:**

II-A-05 Segregation of Duties – During our review of internal control, the existing procedures are evaluated in order to determine incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and, therefore, maximizes the accuracy of the County's financial statements. Generally, one or two individuals in the offices identified may have control over the following areas for which no compensating controls exist:

	Applicable Offices
(1) Receipts – opening and listing mail receipts, collecting, depositing, posting and daily reconciling.	Treasurer, Sheriff, Recorder, Conservation and Agricultural Extension Office
(2) Investments – custody, accounting and recording interest earnings.	Treasurer
(3) Disbursements – processing of claims, check writing, check signing, mailing checks and final approval.	Auditor, Sheriff and Recorder
(4) Bank reconciliation is not prepared by someone who doesn't sign checks, handle or record cash.	Sheriff and Recorder

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, each official should review the operating procedures of their office to obtain the maximum internal control possible under the circumstances. The official should utilize current personnel to provide additional control through review of financial transactions, reconciliations and reports. Such reviews should be performed by independent persons, to the extent possible, and should be evidenced by initials or signature of the reviewer and the date of the review.

Responses –

County Auditor – The County Auditor will now control checks and try to have someone mail checks who does not prepare them.

Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2005

County Treasurer –

Receipts: With a limited number of employees, we make an effort to have different employees involved in various stages of processing and rotate work assignments for collecting, depositing, posting and daily reconciling. We will begin keeping a log to follow opening and listing of mail receipts.

Investments: The Treasurer keeps all investments in safe keeping at each bank and copies of safe keeping receipts are kept in the Treasurer's safe. The investments and investment ledger will be monitored by the person doing the monthly reconciliation.

County Sheriff – When the mail is opened, all checks will be stamped “for deposit only”, a clerk randomly records checks, monthly (during reconciliation) the clerk confirms that those checks randomly recorded are deposited.

D.A.R.E. account reconciliations will be performed by someone who is not an authorized signer of checks.

County Recorder – Depositing and daily recording has been corrected by having our new personnel, who do not handle cash, checks or use the cash register, handle the money to prepare deposits. We also balance on a daily basis.

Bank reconciliations will be prepared by someone who does not sign checks.

Conservation – When I open mail that contains checks to be deposited with the County, I will stamp them “for deposit only.” I will then list the check amount and who it is from on a separate log. The checks will then be turned over to my assistant who will process the money for deposit with the County. All camping and trail envelopes containing money will be opened by my assistant (or other designated staff). They will each count and document the totals and sign a report form. The money will then be deposited with the County.

Agricultural Extension Office – We have recently hired an additional staff person who does the opening of the mail and writing of receipts, performs bank reconciliations and initials them. The remaining tasks will be performed by a second staff person.

Conclusions –

County Auditor – Response accepted.

County Treasurer – Response accepted.

County Sheriff – Response accepted.

County Recorder – Response accepted.

Conservation – Response acknowledged. The listing of checks received in the mail and the total collected for camping and trail fees should be traced into the deposit with the County Treasurer periodically.

Agricultural Extension Office – Response accepted.

Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2005

- II-B-05 County Sheriff – Room and board monies were not deposited with the County Treasurer timely.
- Recommendation – Room and board monies should be deposited with the County Treasurer on a timely basis.
- Response – We have put into place a policy that requires monthly deposits and reconciliation for the Room and Board and Inmate commissary funds.
- Conclusion – Response accepted.
- II-C-05 Jail Commissary and Room and Board Accounts – During the year ended June 30, 2005, expenditures other than for commissary resale items were made from the Sheriff's commissary bank account but were not charged against the budget.
- Also, expenditures for equipment were made from the Sheriff's Room and Board bank account but were not charged against the budget.
- Recommendation – The profits from the Jail Commissary account and the Room and Board account should be remitted to the County Treasurer. Purchases of equipment and non-resale items should be charged against the Sheriff's budget and reflected in the County's accounting system.
- Response – We have put into place a policy that only re-sale items will be purchased from the commissary account. All other purchases will be submitted as a claim.
- Conclusion – Response accepted.
- II-D-05 Disaster Recovery – The County does not have a written disaster recovery plan for the County's information system.
- Recommendation – A written disaster recovery plan should be developed.
- Response – A disaster recovery committee has been formed, with the goal and focus on the development of a plan involving Dallas County's information systems.
- Conclusion – Response accepted.
- II-E-05 Capital Assets – A physical observation of capital assets was performed, but was not used to update the capital asset records. Also, the useful lives identified in the County's capital asset policy are not always followed for equipment and buildings.
- Recommendation – Capital assets should be observed periodically by an employee having no responsibility for the assets and the capital asset records updated accordingly. The useful lives for all classes of capital assets should be adhered to.
- Response – The useful lives defined in our policy will be adhered to. A physical observation of assets will be performed to update capital asset records.
- Conclusion – Response accepted.



Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2005

II-F-05 Claims Process – The County Auditor’s office accepts copies or faxes of invoices for claims processing. Since the County’s accounting system does not flag potential duplicate payments, an original invoice could come through later and cause a duplicate payment to be made.

Recommendation – The County Auditor’s office should require original invoices to process claims and should work with its accounting system provider to implement software changes to flag potential duplicate payments.

Response – We will start requiring original invoices from vendors.

Conclusion – Response accepted.

II-G-05 Lack of Written Policies and Procedures – The County currently does not have written policies for certain areas of operation. These areas include:

- The use of County provided cell phones.
- Annual job performance evaluations for County employees. Currently, not all departments do periodic performance evaluations of their staff.
- The use of time cards. Also, personnel working in the County Assessor, Emergency Management and County Attorney offices do not submit timesheets.
- The issuance and use of County provided credit cards.
- The usage of handwritten warrants.

Recommendation – The County should develop written policies and procedures for the noted areas of operation.

Responses –

Board of Supervisors – We recognize the need to develop policies for areas of operations. We are currently addressing these issues.

Emergency Management (Timesheets) - Dallas County Emergency Management has timesheets as of October 2005. Timesheets or Personnel Activity Reports will be required to receive EMPG grant funding. These Personnel Activity Reports or PARS will be included in the quarterly reports submitted to the state for grant reimbursement. A copy will be retained in the Dallas County Office of Emergency Management.

County Assessor – As of January 2006, we will start turning in timesheets.

County Attorney – We are currently submitting timesheets.

Conclusions – Responses accepted.

II-H-05 Prepayment of Services – A warrant was written in June 2005 as a prepayment for a window repair project. This project was not completed until December 2005 and no contract was entered into for this project.

Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2005

Recommendation – Services should only be paid once the services have been rendered and a written contract should be in place.

Response – We will closely monitor repair projects for timeliness and make sure a contract is entered into for services or repairs.

Conclusion – Response accepted.

- II-I-05 Leave Time Tracking – Bonus Days, which are earned by all County employees when they are at their maximum sick leave balance for four consecutive months, are not tracked on the centralized payroll system. When an employee uses a Bonus Day, their time card will show 8 hours worked with a notation of “Bonus Day”. Because of this, the centralized payroll system and timesheets do not accurately reflect actual hours worked or leave taken.

Recommendation – The County should develop procedures to ensure Bonus Days are tracked on the centralized payroll system and hours reported on timesheets accurately reflect time worked and/or leave taken.

Response – The Human Resource and Payroll departments will work together to develop procedures to track Bonus Days and note on timesheets to reflect actual time worked.

Conclusion – Response accepted.

- II-J-05 DARE Account – Currently, the Sheriff’s office does not receive canceled checks or images of the front and back of each canceled check from the bank. Also, proper support for two of five DARE expenditures tested, totaling \$323, was not retained.

Recommendation – The Sheriff’s office should work with the bank to obtain copies or images of each canceled check (both front and back) and a policy should be developed to require the retention of support for DARE expenditures.

Response – Canceled checks will be kept with the monthly reconciliation and proper support will be maintained for the DARE account.

Conclusion – Response accepted.

- II-K-05 Public Health Nurse Receipts – Reconciliations between receipt books and amounts deposited with the County Treasurer are not performed. Two of five receipts tested could not be traced to deposit with the County Treasurer. Also, both copies (white and yellow) of voided receipts are not always retained. Seven of thirteen voided receipts tested did not have both copies.

Recommendation – Procedures should be developed to ensure receipts recorded in the receipt book are reconciled to the amounts deposited with the County Treasurer. Also, both copies of voided receipts should be retained.

Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2005

Response – In December of 2005, we began recording receipt numbers on the miscellaneous receipts of the County. We will continue to ensure that all voided receipts have both the original and carbon copy. We will attach a procedure protocol to the front of the receipt book outlining the procedure for voided receipts.

Conclusion – Response accepted.

- II-L-05 Computer System User Profiles – There is no evidence user profiles on the County's computer system are periodically reviewed to ensure users do not have inappropriate access.

Recommendation – Procedures should be developed to ensure user profiles are periodically reviewed and users do not have inappropriate access.

Response – We have developed an exit check list to delete terminated employees off the system. We will further develop a periodic audit procedure to review access on a monthly basis.

Conclusion – Response accepted.

- II-M-05 Emergency Management Grant Tracking – Dallas County Emergency Management received a grant for equipment, some of which was passed on to other local governments. During fiscal year 2005, no dates were recorded to document when the equipment was received and, if applicable, when it was transferred to another local governmental entity.

Recommendation – Dallas County Emergency Management should develop procedures to ensure dates equipment is received and transferred are documented.

Response – Dallas County Office of Emergency Management now uses a equipment acceptance document that shows when the equipment was received in the Emergency Management Office and when it was transferred to another jurisdiction. A copy of that form will be retained in the office.

Conclusion – Response accepted.

- II-N-05 Excessive Fund Balance – The Assessor's Special Appraiser's Fund ending balance at June 30, 2005 was \$152,871. Disbursements for fiscal year 2005 were \$105,427. Therefore, the Assessor had an ending balance in excess of fiscal year 2005 disbursements.

Recommendation – The County Assessor should consult with the County Attorney and consider alternatives to reduce the Special Appraiser's Fund balance.

Response – I do not know who will file a lawsuit in district court on a year to year basis or in what budget year it will go to court. My court expense on two upcoming cases will be near \$100,000. If a large number of commercial properties file in a year, I would not be able to fight them in court and would have to lower assessed values based on cost not what is fair and equitable. I will see what options are available to the office.

Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2005

Conclusion – Response acknowledged. The Assessor should consider alternatives to reduce the Special Appraiser’s Fund balance. The Assessor should also consider using the Tort Liability Fund tax levy as shown on the Department of Management budget form to cover court expenses.

II-O-05 Mental Health Advocate Claims – Counties are responsible for payment of compensation and related claims for the Mental Health Advocate. The minimum level of itemization necessary for these claims is prescribed in the Fifth Judicial District’s Administrative Order 1992/02. The following were noted:

- a) On four separate occasions, the Mental Health Advocate requested mileage reimbursement for days when no hours were recorded on her timesheet.
- b) One claim was approved by the County Auditor even though Mental Health Advocate claims are required to go through the Clerk of Court’s Office for initial approval.
- c) None of the claims reviewed fully complied with Administrative Order 1992/02 with respect to the required itemization.

Recommendation – The County should consider a comparison of timesheets to mileage claims as part of its review process. In addition, the County should develop procedures to ensure the Mental Health Advocate’s claims contain the itemization required by Administrative Order 1992/02 and are initially approved by the Clerk of Court’s Office.

Response – Dallas County is presently working to create procedures to require all Mental Health Advocate claims to follow requirements set out by the Dallas County Board of Supervisors.

Conclusion – Response accepted.

Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2005

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

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITIONS:**

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

Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2005

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

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

IV-B-05 Certified Budget – During the year ended June 30, 2005, disbursements did not exceed the amounts budgeted by function.

Disbursements in one department exceeded the appropriation prior to amendment.

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 – We will implement procedures to monitor departmental appropriations.

Conclusion – Response accepted.

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

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

IV-E-05 Business Transactions – No business transactions between the County and County officials or employees were noted.

IV-F-05 Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

IV-G-05 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

Although minutes of Board proceedings were published, certain minutes were not published within the time period required by Chapter 349.18 of the Code of Iowa.

Recommendation – The County should ensure the minutes are published as required.

Response – The employee assigned this duty has been advised to keep minutes up to date. The County Auditor, as her supervisor, will monitor this closer.

Conclusion – Response accepted.

Dallas County

Schedule of Findings and Questioned Costs

Year ended June 30, 2005

IV-H-05 Deposits and Investments – No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County’s investment policy were noted.

IV-I-05 Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

IV-J-05 Compensation to Employees – One County employee received compensation through County claim rather than through payroll for certain work performed outside normal duties. Election workers also received compensation through County claim rather than through payroll. The compensation was not subject to withholding and was not included as wages on Internal Revenue Service (IRS) Form W-2.

Recommendation – The County should include all compensation paid to employees and election workers in payroll in accordance with IRS regulations.

Response – We intend to run all County employees and election workers’ compensation through payroll.

Conclusion – Response accepted.

IV-K-05 County Extension Office – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an Extension Council separate and distinct from County operations and, consequently, is not included in Exhibits A or B.

Disbursements during the year ended June 30, 2005 for the County Extension Office did not exceed the amount budgeted.

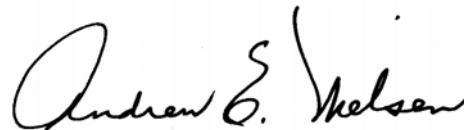
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Dallas County

Staff

This audit was performed by:

Cynthia L. Weber, CPA, Manager  
Brian R. Brustkern, CPA, Senior Auditor II  
Kimberly M. Knight, CPA, Senior Auditor  
Carey L. Fraise, Assistant Auditor  
Richard W. Reeves, Jr., Assistant Auditor

A handwritten signature in black ink that reads "Andrew E. Nielsen". The signature is written in a cursive style with a large initial "A" and "N".

Andrew E. Nielsen, CPA  
Deputy Auditor of State